

Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended and P.A. 71 of 1919, as amended.

Local Unit of Government Type <input type="checkbox"/> County <input type="checkbox"/> City <input type="checkbox"/> Twp <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Unit Name		County
Fiscal Year End	Opinion Date		Date Audit Report Submitted to State	

We affirm that:

We are certified public accountants licensed to practice in Michigan.

We further affirm the following material, "no" responses have been disclosed in the financial statements, including the notes, or in the Management Letter (report of comments and recommendations).

YES
NO

Check each applicable box below. (See instructions for further detail.)

1. ☐ ☐ All required component units/funds/agencies of the local unit are included in the financial statements and/or disclosed in the reporting entity notes to the financial statements as necessary.
2. ☐ ☐ There are no accumulated deficits in one or more of this unit's unreserved fund balances/unrestricted net assets (P.A. 275 of 1980) or the local unit has not exceeded its budget for expenditures.
3. ☐ ☐ The local unit is in compliance with the Uniform Chart of Accounts issued by the Department of Treasury.
4. ☐ ☐ The local unit has adopted a budget for all required funds.
5. ☐ ☐ A public hearing on the budget was held in accordance with State statute.
6. ☐ ☐ The local unit has not violated the Municipal Finance Act, an order issued under the Emergency Municipal Loan Act, or other guidance as issued by the Local Audit and Finance Division.
7. ☐ ☐ The local unit has not been delinquent in distributing tax revenues that were collected for another taxing unit.
8. ☐ ☐ The local unit only holds deposits/investments that comply with statutory requirements.
9. ☐ ☐ The local unit has no illegal or unauthorized expenditures that came to our attention as defined in the *Bulletin for Audits of Local Units of Government in Michigan*, as revised (see Appendix H of Bulletin).
10. ☐ ☐ There are no indications of defalcation, fraud or embezzlement, which came to our attention during the course of our audit that have not been previously communicated to the Local Audit and Finance Division (LAFD). If there is such activity that has not been communicated, please submit a separate report under separate cover.
11. ☐ ☐ The local unit is free of repeated comments from previous years.
12. ☐ ☐ The audit opinion is UNQUALIFIED.
13. ☐ ☐ The local unit has complied with GASB 34 or GASB 34 as modified by MCGAA Statement #7 and other generally accepted accounting principles (GAAP).
14. ☐ ☐ The board or council approves all invoices prior to payment as required by charter or statute.
15. ☐ ☐ To our knowledge, bank reconciliations that were reviewed were performed timely.

If a local unit of government (authorities and commissions included) is operating within the boundaries of the audited entity and is not included in this or any other audit report, nor do they obtain a stand-alone audit, please enclose the name(s), address(es), and a description(s) of the authority and/or commission.

I, the undersigned, certify that this statement is complete and accurate in all respects.

We have enclosed the following:	Enclosed	Not Required (enter a brief justification)		
Financial Statements	<input type="checkbox"/>			
The letter of Comments and Recommendations	<input type="checkbox"/>			
Other (Describe)	<input type="checkbox"/>			
Certified Public Accountant (Firm Name)		Telephone Number		
Street Address		City	State	Zip
Authorizing CPA Signature	Printed Name		License Number	

CHARTER TOWNSHIP OF GENOA

ANNUAL FINANCIAL
REPORT

FOR THE YEAR ENDED JUNE 30, 2006

CHARTER TOWNSHIP OF GENOA

TOWNSHIP OFFICIALS

Supervisor - Gary McCririe
Clerk - Paulette Skolarus
Treasurer - Robin Hunt

BOARD OF TRUSTEES

Gary McCririe
Paulette Skolarus
Robin Hunt
James Mortensen
Steve Wildman
Jean Ledford
Todd Smith

MANAGER

Michael Archinal

TOWNSHIP ATTORNEY

Richard Heikkinen

TOWNSHIP AUDITORS

Pfeffer, Hanniford & Palka
Certified Public Accountants

TABLE OF CONTENTS

PAGE NUMBER

INDEPENDENT AUDITORS' REPORT

MANAGEMENT DISCUSSION AND ANALYSIS	9
------------------------------------	---

BASIC FINANCIAL STATEMENTS

GOVERNMENT - WIDE FINANCIAL STATEMENTS

Statement of Net Assets	16
Statement of Activities	17

FUND FINANCIAL STATEMENTS

Balance Sheet - Governmental Funds	19
Reconciliation of Statement of Net Assets of Governmental Funds to the Balance Sheet	20
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	21
Reconciliation of Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	22
Statement of Net Assets - Proprietary Funds	23
Statement of Revenue, Expenses and Changes in Fund Net Assets - Proprietary Funds	24
Statement of Cash Flows - Proprietary Funds	25
Statement of Assets and Liabilities - Fiduciary Funds	26

NOTES TO FINANCIAL STATEMENTS	28
-------------------------------	----

REQUIRED SUPPLEMENTARY INFORMATION

General Fund - Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	48
Reimbursable Road Projects Fund - Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	49
Schedules of Pension Funding Progress (Unaudited)	50

SUPPLEMENTARY INFORMATION

COMBINING FINANCIAL STATEMENTS

All Special Revenue Funds - Combining Balance Sheet	53
All Debt Service Funds - Combining Balance Sheet	54
All Capital Project Funds - Combining Balance Sheet	55
All Enterprise Funds - Combining Balance Sheet	56
All Trust and Agency Funds - Combining Balance Sheet	57
All Special Revenue Funds - Combining Statement of Revenues, Expenditures and Changes in Fund Balances	58
All Debt Service Funds - Combining Statement of Revenues, Expenditures and Changes in Fund Balances	59
All Capital Project Funds - Combining Statement of Revenues, Expenditures and Changes in Fund Balances	60
All Enterprise Funds - Combining Statement of Revenues, Expenses and Changes in Retained Earnings	61
All Enterprise Funds - Combining Statement of Cash Flows	62

TABLE OF CONTENTS

	<u>PAGE NUMBER</u>
<u>INDIVIDUAL FUNDS</u>	
GENERAL FUND	
Balance Sheet	65
Statement of Revenues, Expenditures and Changes in Fund	
Balance - Budget and Actual	66
Statement of Revenues - Budget and Actual	67
Statement of Expenditures - Budget and Actual	68
LIQUOR LAW ENFORCEMENT FUND	
Balance Sheet	70
Statement of Revenues, Expenditures and Changes in Fund	
Balance - Budget and Actual	71
ROAD IMPROVEMENT FUND	
Balance Sheet	73
Statement of Revenues, Expenditures, and Changes in Fund	
Balance - Budget and Actual	74
REIMBURSABLE ROAD PROJECTS FUND	
Balance Sheet	76
Statement of Revenues, Expenditures and Changes in	
Fund Balance - Budget and Actual	77
FUTURE DEVELOPMENT - PARKS, PATHS AND RECREATION FUND	
Balance Sheet	79
Statement of Revenues, Expenditures and Changes in	
Fund Balance - Budget and Actual	80
BUILDING AND GROUNDS RESERVE FUND	
Balance Sheet	82
Statement of Revenues, Expenditures and Changes in	
Fund Balance – Budget and Actual	83
DORR ROAD WATER AND SEWER DEBT SERVICE FUND	
Balance Sheet	85
Statement of Revenues, Expenditures and Changes in	
Fund Balance – Budget and Actual	86
TRI-LAKES ROAD DEBT SERVICE FUND	
Balance Sheet	88
Statement of Revenues, Expenditures and Changes in	
Fund Balance - Budget and Actual	89
GENOA - OCEOLA PHASE I SEWER DEBT SERVICE FUND	
Balance Sheet	91
Statement of Revenues, Expenditures and Changes in	
Fund Balance - Budget and Actual	92

TABLE OF CONTENTS

	<u>PAGE NUMBER</u>
GENOA - OCEOLA PHASE II SEWER DEBT SERVICE FUND	
Balance Sheet	94
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	95
GRAND RIVER WATER DEBT SERVICE FUND	
Balance Sheet	97
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	98
GRAND OAKS WATER DEBT SERVICE FUND	
Balance Sheet	100
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	101
GRAND RIVER ROAD DEBT SERVICE FUND	
Balance Sheet	103
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	104
LAKE EDGEWOOD - WEST WATER DEBT SERVICE FUND	
Balance Sheet	106
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	107
MARION HOWELL OCEOLA GENOA PLANT EXPANSION DEBT SERVICE FUND	
Balance Sheet	109
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	110
GENOA-OCEOLA PLANT EXPANSION DEBT SERVICE FUND	
Balance Sheet	112
Statement of Revenues, Expenditures and Changes in Fund Balance	113
GRAND RIVER WATER NEW USER CAPITAL PROJECT FUND	
Balance Sheet	115
Statement of Revenues, Expenditures and Changes in Fund Balance	116
GENOA - OCEOLA PHASE I SEWER NEW USER CAPITAL PROJECT FUND	
Balance Sheet	118
Statement of Revenues, Expenditures and Changes in Fund Balance	119
GENOA - OCEOLA PHASE II SEWER NEW USER CAPITAL PROJECT FUND	
Balance Sheet	121
Statement of Revenues, Expenditures and Changes in Fund Balance	122

TABLE OF CONTENTS

	<u>PAGE NUMBER</u>
LAKE EDGEWOOD - WEST WATER CONSTRUCTION CAPITAL PROJECT FUND	
Balance Sheet	124
Statement of Revenues, Expenditures and Changes in Fund Balance	125
OAK POINTE - WATER AND SEWER SYSTEMS FUND	
Balance Sheet	127
Statement of Fund Equity	128
Statement of Revenues and Expenses	129
Schedule of Revenues and Expenses – Operations Only – Excluding Tap-in Fees and Depreciation	130
Statement of Cash Flows	131
LAKE EDGEWOOD - WATER AND SEWER SYSTEMS FUND	
Balance Sheet	133
Statement of Fund Equity	134
Statement of Revenues and Expenses	135
Schedule of Revenues and Expenses - Operations Only - Excluding Tap-in Fees and Depreciation	136
Statement of Cash Flows	137
PINE CREEK - WATER AND SEWER SYSTEMS FUND	
Balance Sheet	139
Statement of Fund Equity	140
Statement of Revenues and Expenses	141
Statement of Cash Flows	142
DEPOSIT TRUST FUND	
Balance Sheet	144
CURRENT TAX FUND	
Balance Sheet	146
TRUST AND AGENCY FUND	
Balance Sheet	148

October 13, 2006

Board of Trustees
Charter Township of Genoa
2911 Dorr Road
Brighton, Michigan 48116

INDEPENDENT AUDITORS' REPORT

Honorable Board of Trustees:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Charter Township of Genoa, as of and for the year ended June 30, 2006, which collectively comprise the Charter Township of Genoa's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Charter Township of Genoa's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Charter Township of Genoa, as of June 30, 2006, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The Management's Discussion and Analysis and other Required Supplementary Information on pages 9 through 13 and 48 through 50 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Charter Township of Genoa's basic financial statements. The supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements. The supplementary information, such as the combining and individual fund statements, have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The supplementary information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Pfeffer, Hanniford & Palka, P.C.

PFEFFER, HANNIFORD & PALKA
Certified Public Accountants

MANAGEMENT DISCUSSION
AND
ANALYSIS

Management Discussion and Analysis June 30, 2006

Within this section of Charter Township of Genoa's annual financial report, the Township's management is providing a narrative discussion and analysis of the financial activities of the Township for the fiscal year ended June 30, 2006. This narrative discusses and analyzes the activity within the context of the accompanying financial statements and disclosures following this section. The discussion focuses on the Township's primary government and, unless otherwise noted, component units reported separately from the primary government are not included.

Overview of the Financial Statements

Management's Discussion and Analysis introduces the Township's basic financial statements. The basic financial statements include government-wide financial statements, fund financial statements, and notes to the financial statements. The Township also includes in this report additional information to supplement the basic financial statements.

Government-wide Financial Statements

The Township's annual reports include two government-wide financial statements. These statements provide both long-term and short-term information about the Township's overall status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in full accrual accounting and elimination or reclassification of internal activities.

The first of these government-wide statements is the Statement of Net Assets. This is the Township-wide statement of position presenting information that includes all the Township's assets and liabilities, with the difference reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Township as a whole is improving or deteriorating. Evaluation of the overall health of the Township may extend to various non-financial factors as well.

The second government-wide statement is the Statement of Activities which reports how the Township's net assets changed during the current fiscal year. The design of this statement is to show the financial reliance of the Township's distinct activities or functions on the revenues generated by the Township.

Both government-wide financial statements distinguish governmental activities of the Township that are principally supported by taxes and revenue sharing from the business-type activities that are intended to recover all or a significant portion of their costs through user fees and charges. Governmental activities include such activities as general government, public safety, and planning and zoning departments. Business-type activities include water & sewer system operations. Fiduciary activities such as tax collection are not included in the government-wide statements since these assets are not available to fund Township programs.

The Township's financial reporting includes all the funds of the Township (primary government) and, additionally, organizations for which the Township is accountable (component units).

Fund Financial Statements

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The Township uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the Township's most significant funds rather than the Township as a whole. Major funds are separately reported while all others are combined into a single, aggregated presentation. Individual fund data for non-major funds is provided in the combining statements later in this report.

The Township has three kinds of funds:

Governmental funds are reported in the financial statements and encompass essentially the same functions as governmental activities in the government-wide financial statements except with a different focus on the financial activity. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of these resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near-term. Since the focus of the government-wide financial statements includes a long-term view, a reconciliation of these fund balances has been completed to detail its relation to net assets.

Proprietary funds are reported in the fund financial statements and are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

Fiduciary funds are reported in the fiduciary fund financial statements, but are excluded from the government-wide statements. Fiduciary fund financial statements report resources that are not available to fund Township activities.

Notes to the financial statements

The accompanying notes to the financial statements provide information essential to a full understanding of both the government-wide and fund financial statements.

Other information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information. Other supplementary information includes detail by fund for receivables, payables, transfers, and payments within the reporting entity.

Major funds are reported in the basic financial statements as discussed. Combining and individual statements and schedules for non-major funds are presented in a subsequent section of this report.

Financial Analysis of the Township as a Whole

The Township's net assets at the end of the fiscal year were \$32,139,427. This is a \$171,560 increase over last year's net assets of 31,967,867.

The following tables provide a summary of the Township's financial activities and changes in net assets:

**Summary of Net Assets
UNDER GASB 34**

	Governmental Activities	Business-Type Activities	Total
Current and other assets	\$ 20,821,737	\$ 9,879,090	\$ 30,700,827
Capital assets	3,260,742	16,806,168	20,066,910
Total assets	<u>24,082,479</u>	<u>26,685,258</u>	<u>50,767,737</u>
Other liabilities	577,688	977,880	1,555,568
Long-term liabilities	10,314,102	6,758,640	17,072,742
Total liabilities	<u>10,891,790</u>	<u>7,736,520</u>	<u>18,628,310</u>
Net assets:			
Invested in capital assets, net of related debt	3,260,742	10,326,168	13,586,910
Unrestricted	9,929,947	8,622,570	18,552,517
Total net assets	<u>\$ 13,190,689</u>	<u>\$ 18,948,738</u>	<u>\$ 32,139,427</u>

**Summary of Changes in Net Assets
UNDER GASB 34**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Revenues:			
Program revenues			
Charges for services	\$ 1,345,916	\$ 1,343,271	\$ 2,689,187
Operating grants and contributions	648,579		648,579
Capital grants and contributions		862,761	862,761
General revenues			
State shared revenues	1,091,183		1,091,183
Property taxes	978,951		978,951
Interest	898,933	439,254	1,338,187
Other	331,634		331,634
Total revenues	<u>5,295,196</u>	<u>2,645,286</u>	<u>7,940,482</u>
Expenses			
General government	1,670,880		1,670,880
Public safety	36,159		36,159
Parks and recreation	119,621		119,621
Public works	2,432,344		2,432,344
Refuse collection	763,236		763,236
Interest on long-term debt	495,207		495,207
Water and sewer systems		2,251,475	2,251,475
Total expenses	<u>5,517,447</u>	<u>2,251,475</u>	<u>7,768,922</u>
Changes in net assets	(222,251)	393,811	171,560
Beginning net assets	<u>13,412,940</u>	<u>18,554,927</u>	<u>31,967,867</u>
Ending net assets	<u>\$ 13,190,689</u>	<u>\$ 18,948,738</u>	<u>\$ 32,139,427</u>

Expenses exceeded revenues in the governmental activities by \$222,251. Included in that amount was \$99,748 of special assessments levied during the year. Special assessments are income as they are levied, and not necessarily having the related expenses being recorded in the same fiscal year.

The business-type funds reported net income of \$393,811 as opposed to the prior year net income of \$258,375. This is primarily due to additional connection fees in the current year. Connection fees were \$862,761 for the year ended June 30, 2006 as opposed to \$637,824 in the prior fiscal year.

Financial Analysis of the Township's Funds

The Township's General Fund had revenues over expenditures totaling \$751,483 before its net transfers out of \$640,000 were made. Thus, the Township's fund balance increased \$75,483 for the fiscal year ended June 30, 2006. There were substantial increases in both revenues and expenditures related to the administration portion of related utility systems. In the subsequent fiscal year the Township will be accounting for utility administration within a separate fund.

The Township's two major business-type funds, Oak Pointe and Lake Edgewood, each had operating losses. This has been consistent with prior years' activities, but has had offsetting connection fees to counteract these losses.

General Fund Budgetary Highlights

The General Fund adopted its budget prior to the fiscal year in accordance with Public Act 493 of 2000. Total budgeted appropriations exceeded actual expenditures by \$114,091. Expenditures are budgeted by line item, and several of these line items exceeded budgeted appropriations. The budget was amended during the year to account for various utility administration activities.

Capital Asset and Debt Administration

The governmental funds of the Township constructed and purchased \$181,980 of new capital assets this year. This included \$41,680 of bike path construction costs \$115,000 for land, \$13,000 for a cemetery fence and \$12,300 for an office copier.

The construction project in the Oak Pointe Water and Sewer System Fund that was ongoing at the end of last fiscal year was completed during the current fiscal year. An additional \$917,214 was spent on that project to bring the total project cost to \$1,272,566.

Neither the governmental funds nor the business-type funds issued any new bonds during they year. Total principal repayments of existing bonds and contracts payable was \$1,464,355 and \$629,243 respectively for the year ended June 30, 2006.

Economic Conditions and Future Activities

The Township is anticipating a further drop in state revenue sharing for its general fund to continue into next year due to the declining economic environment. This reduction in revenue should be offset partially by an increasing tax base.

Contacting the Township's Financial Management

This report is designed to provide a general overview of the Township's financial position and comply with finance-related regulations. If you have any further questions about this report or request additional information please contact Charter Township of Genoa at 2911 Dorr Road, Brighton, MI 48116.

BASIC
FINANCIAL
STATEMENTS

GOVERNMENT - WIDE
FINANCIAL
STATEMENTS

CHARTER TOWNSHIP OF GENOA
STATEMENT OF NET ASSETS
JUNE 30, 2006

	<u>Primary Government</u>		
	<u>Governmental Activities</u>	<u>Business- type Activities</u>	<u>Total</u>
<u>ASSETS</u>			
ASSETS			
Cash and cash equivalents	\$ 11,829,868	\$ 180,549	\$ 12,010,417
Cash and cash equivalents - restricted		3,663,490	3,663,490
Receivable			
State shared revenues	356,053		356,053
Accounts	400,245	630,972	1,031,217
Special assessments - restricted	7,357,341	5,173,604	12,530,945
Contract - restricted		189,200	189,200
Prepaid expenditures	11,592		11,592
Inventory		11,100	11,100
Due from other funds	866,638	30,175	896,813
Capital assets, net	<u>3,260,742</u>	<u>16,806,168</u>	<u>20,066,910</u>
Total assets	<u>24,082,479</u>	<u>26,685,258</u>	<u>50,767,737</u>
<u>LIABILITIES</u>			
LIABILITIES			
Accounts payable	117,448	91,835	209,283
Checks issued in excess of available cash		26,878	26,878
Accrued liabilities	52,165		52,165
Due to other funds	30,175	859,167	889,342
Deferred revenues	377,900		377,900
Contracts payable:			
Current	148,468	359,660	508,128
Long term	2,326,814	3,908,980	6,235,794
Bonds payable:			
Current	1,037,518	450,000	1,487,518
Long term	<u>6,801,302</u>	<u>2,040,000</u>	<u>8,841,302</u>
Total liabilities	<u>10,891,790</u>	<u>7,736,520</u>	<u>18,628,310</u>
<u>NET ASSETS</u>			
NET ASSETS			
Invested in capital assets, net of related debt	3,260,742	10,326,168	13,586,910
Unrestricted	<u>9,929,947</u>	<u>8,622,570</u>	<u>18,552,517</u>
Total net assets	<u>\$ 13,190,689</u>	<u>\$ 18,948,738</u>	<u>\$ 18,552,517</u>

The notes are an integral part of the financial statements.

CHARTER TOWNSHIP OF GENOA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2006

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Governmental activities				
General government	\$ (1,670,880)	\$ 782,271	\$	\$
Fire protection	(36,159)			
Parks and recreation	(119,621)			
Public works and roads	(2,432,344)		648,579	
Refuse collection	(763,236)	563,645		
Interest on long-term debt	(495,207)			
Total governmental activities	<u>(5,517,447)</u>	<u>1,345,916</u>	<u>648,579</u>	
Business-type activities				
Water and sewer systems	<u>(2,251,475)</u>	<u>1,343,271</u>		<u>862,761</u>
Total	<u>\$ (7,768,922)</u>	<u>\$ 2,689,187</u>	<u>\$ 648,579</u>	<u>\$ 862,761</u>

General revenues
Property taxes
State shared revenues
Interest income
Franchise fees
Other income

Total general revenues

Changes in net assets

Net assets, July 1, 2005

Prior period adjustment

Net assets, June 30, 2006

The notes are an integral part of the financial statements.

Net (Expenses) Revenue and Changes Net Assets		
Governmental Activities	Business- type Activities	Total
\$ (888,609)	\$	\$ (888,609)
(36,159)		(36,159)
(119,621)		(119,621)
(1,783,765)		(1,783,765)
(199,591)		(199,591)
<u>(495,207)</u>		<u>(495,207)</u>
<u>(3,522,952)</u>		<u>(3,522,952)</u>
	<u>(45,443)</u>	<u>(45,443)</u>
978,951		978,951
1,091,183		1,091,183
898,933	439,254	1,338,187
199,806		199,806
<u>131,828</u>		<u>131,828</u>
<u>3,300,701</u>	<u>439,254</u>	<u>3,739,955</u>
(222,251)	393,811	171,560
13,412,940	18,762,427	32,175,367
	(207,500)	(207,500)
<u>\$ 13,190,689</u>	<u>\$ 18,948,738</u>	<u>\$ 32,139,427</u>

FUND
FINANCIAL
STATEMENTS

CHARTER TOWNSHIP OF GENOA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2006

	<u>General</u>	<u>Reimbursable Road Projects Fund</u>	<u>Genoa- Oceola Phase II Debt Service Fund</u>	<u>Grand River Water Debt Service Fund</u>
<u>ASSETS</u>				
ASSETS				
Cash and cash equivalents	\$ 1,307,156	\$ 212,919	\$ 591,223	\$ 187,629
Receivables				
Special assessments		557,822	960,143	846,999
State shared revenues	356,053			
Accounts	150,245			
Due from other funds	102,804			
Prepaid expenditures	<u>11,592</u>			
Total assets	<u>\$ 1,927,850</u>	<u>\$ 770,741</u>	<u>\$ 1,551,366</u>	<u>\$ 1,034,628</u>
<u>LIABILITIES AND FUND BALANCE</u>				
LIABILITIES				
Accounts payable	\$ 40,501	\$ 55,569	\$	\$
Accrued wages and absences	52,165			
Due to others	20,674			
Due to other funds	30,175			
Deferred revenues	<u>377,901</u>	<u>557,822</u>	<u>960,143</u>	<u>846,999</u>
Total liabilities	<u>521,416</u>	<u>613,391</u>	<u>960,143</u>	<u>846,999</u>
FUND BALANCES				
Unreserved	1,406,434			
Reserved for debt service			591,223	187,629
Reserved for public works and roads		157,350		
Reserved for parks and recreation				
Total fund balances	<u>1,406,434</u>	<u>157,350</u>	<u>591,223</u>	<u>187,629</u>
Total liabilities and fund balance	<u>\$ 1,927,850</u>	<u>\$ 770,741</u>	<u>\$ 1,551,366</u>	<u>\$ 1,034,628</u>

The notes are an integral part of the financial statements.

<u>Grand River Road Debt Service Fund</u>	<u>Lake Edgewood West Water Debt Service Fund</u>	<u>Other Non-major Funds</u>	<u>Total</u>
\$ 59,757	\$ 264,919	\$ 9,206,265	\$ 11,829,868
839,359	2,103,784	2,049,234	7,357,341
			356,053
		250,000	400,245
		830,000	932,804
		115,000	126,592
<u>\$ 899,116</u>	<u>\$ 2,368,703</u>	<u>\$ 12,450,499</u>	<u>\$ 21,002,903</u>

\$ 141	\$ 363	\$	\$ 96,574
			52,165
		200	20,874
		66,166	96,341
<u>839,359</u>	<u>2,103,784</u>	<u>2,164,234</u>	<u>7,850,242</u>
<u>839,500</u>	<u>2,104,147</u>	<u>2,230,600</u>	<u>8,116,196</u>

		26,733	1,433,167
59,616	264,556	3,695,836	4,798,860
		5,768,015	5,925,365
		729,315	729,315
<u>59,616</u>	<u>264,556</u>	<u>10,219,899</u>	<u>12,886,707</u>
<u>\$ 899,116</u>	<u>\$ 2,368,703</u>	<u>\$ 12,450,499</u>	<u>\$ 21,002,903</u>

CHARTER TOWNSHIP OF GENOA
RECONCILIATION OF STATEMENT OF NET ASSETS
OF GOVERNMENTAL FUNDS TO THE BALANCE SHEET
JUNE 30, 2006

Amounts reported for governmental activities in the Statement
of Net Assets are different because:

Total fund balance per balance sheet		\$ 12,886,707
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.		
Historical cost	\$ 3,907,119	
Depreciation	<u>(646,377)</u>	
Capital assets net of depreciation		3,260,742
Some liabilities are not due and payable in the current period and therefore are not reported in the funds. These include:		
Contracts payable	(2,475,282)	
Bonds payable	<u>(7,838,820)</u>	
Total		(10,314,102)
Deferred revenues on special assessments was recognized as revenue in the government-wide statements. Assessments are income as they are assessed.		<u>7,357,342</u>
Net assets of governmental activities		<u>\$ 13,190,689</u>

The notes are an integral part of the financial statements

CHARTER TOWNSHIP OF GENOA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2006

	<u>General</u>	<u>Reimbursable Road Projects Fund</u>	<u>Genoa- Oceola Phase II Debt Service Fund</u>	<u>Grand River Water Debt Service Fund</u>
REVENUES				
Taxes	\$ 978,951	\$	\$	\$
Special assessments		255,256	238,986	222,253
State shared revenues	1,091,183			
Licenses and permits	29,610			
Connection fees				
Contributions				
Rental income	68,176			
Franchise fees	199,806			
Charges for services	1,345,916			
Interest	58,946	3,810	18,357	4,007
Miscellaneous	21,241			
	<u>3,793,829</u>	<u>259,066</u>	<u>257,343</u>	<u>226,260</u>
Total revenues				
EXPENDITURES				
General government	1,617,002		699	500
Fire protection	12,518			
Refuse	763,236			
Parks and recreation	86,596			
Public works	477,402	1,295,730		
Debt service	121,592		284,815	130,926
	<u>3,078,346</u>	<u>1,295,730</u>	<u>285,514</u>	<u>131,426</u>
Total expenditures				
Excess of revenues over (under) expenditures	<u>715,483</u>	<u>(1,036,664)</u>	<u>(28,171)</u>	<u>94,834</u>
OTHER FINANCING SOURCES (USES)				
Transfers in		419,223		
Transfers (out)	<u>(640,000)</u>			
	<u>(640,000)</u>	<u>419,223</u>		
Total other financing sources (uses)				
Net change in fund balances	75,483	(617,441)	(28,171)	94,834
FUND BALANCE, JULY 1, 2005	<u>1,330,951</u>	<u>774,791</u>	<u>619,394</u>	<u>92,795</u>
FUND BALANCE, JUNE 30, 2006	<u>\$ 1,406,434</u>	<u>\$ 157,350</u>	<u>\$ 591,223</u>	<u>\$ 187,629</u>

The notes are an integral part of the financial statements.

<u>Grand River Road Debt Service Fund</u>	<u>Lake Edgewood West Water Debt Service Fund</u>	<u>Other Non-major Funds</u>	<u>Total</u>
\$ 124,511	\$ 370,726	\$ 577,699	\$ 978,951
			1,789,431
			1,091,183
		11,701	41,311
		552,400	552,400
		96,179	96,179
			68,176
			199,806
			1,345,916
472	5,193	251,298	342,083
		1,100	22,341
<u>124,983</u>	<u>375,919</u>	<u>1,490,377</u>	<u>6,527,777</u>
845	522	14,726	1,634,294
			12,518
			763,236
		45,059	131,655
		774,212	2,547,344
<u>132,705</u>	<u>313,777</u>	<u>815,331</u>	<u>1,799,146</u>
<u>133,550</u>	<u>314,299</u>	<u>1,649,328</u>	<u>6,888,193</u>
<u>(8,567)</u>	<u>61,620</u>	<u>(158,951)</u>	<u>(360,416)</u>
		375,000	794,223
		<u>(154,223)</u>	<u>(794,223)</u>
		<u>220,777</u>	
(8,567)	61,620	61,826	(360,416)
<u>68,183</u>	<u>202,936</u>	<u>10,158,073</u>	<u>13,247,123</u>
<u>\$ 59,616</u>	<u>\$ 264,556</u>	<u>\$ 10,219,899</u>	<u>\$ 12,886,707</u>

CHARTER TOWNSHIP OF GENOA
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2006

Amounts reported for governmental activities in the Statement of Activities are different because:

Net change in fund balances - governmental funds	\$ (360,416)
--	--------------

Governmental funds report capital outlay as expenditures. However, in the Statement of Activities the cost of those assets are allocated over their useful lives as depreciation expense. The amount by which capital outlays exceeded depreciation is as follows:

Capital outlay	\$ 181,980
Depreciation expense	<u>(115,173)</u>

Total	66,807
-------	--------

Repayment of bond and contracts payable is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets.

Repayment of:	
Bonds payable	1,039,356
Contracts payable	<u>264,583</u>

Total	1,303,939
-------	-----------

Principal received on special assessments are income as they are levied annually for governmental funds, but they are income when they are levied for the Statement of Activities.

Special assessments levied	99,748
Principal collected on assessments	<u>(1,332,329)</u>

Total	<u>(1,232,581)</u>
-------	--------------------

Change in net assets of governmental activities	<u>\$ (222,251)</u>
---	---------------------

The notes are an integral part of the financial statements.

CHARTER TOWNSHIP OF GENOA
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2006

	Major Funds		Other Non-major Fund	
	Oak Pointe Water and Sewer Systems Fund	Lake Edgewood Water and Sewer Systems Fund	Pine Creek Water and Sewer Systems Fund	Total
<u>ASSETS</u>				
CURRENT ASSETS				
Cash and cash equivalents	\$	\$	\$	\$
Accounts receivable	462,516	35,983	144,566	180,549
Inventory	11,100	91,901	76,555	630,972
Due from other funds	19,860	125,789	7,075	11,100
	<u>19,860</u>	<u>125,789</u>	<u>7,075</u>	<u>152,724</u>
Total current assets	<u>493,476</u>	<u>253,673</u>	<u>228,196</u>	<u>975,345</u>
RESTRICTED ASSETS				
Cash and cash equivalents	1,598,383	1,889,582	175,525	3,663,490
Special assessments	1,495,095	3,514,810	163,699	5,173,604
Contract receivable - City of Brighton		189,200		189,200
	<u>1,495,095</u>	<u>3,514,810</u>	<u>163,699</u>	<u>5,173,604</u>
Total restricted assets	<u>3,093,478</u>	<u>5,593,592</u>	<u>339,224</u>	<u>9,026,294</u>
CAPITAL ASSETS				
Land	358,855	260,009		618,864
Water and sewer systems	13,295,707	7,703,745		20,999,452
	<u>13,654,562</u>	<u>7,963,754</u>		<u>21,618,316</u>
Less accumulated depreciation	(3,553,141)	(1,259,007)		(4,812,148)
Capital assets, net	<u>10,101,421</u>	<u>6,704,747</u>		<u>16,806,168</u>
Total assets	<u>13,688,375</u>	<u>12,552,012</u>	<u>567,420</u>	<u>26,807,807</u>
<u>LIABILITIES</u>				
CURRENT LIABILITIES				
Accounts payable	\$	\$	\$	\$
Checks issued in excess of available cash	19,276	25,329	47,230	91,835
Due to other funds	26,878	8,643	6,869	26,878
	<u>966,204</u>	<u>8,643</u>	<u>6,869</u>	<u>981,716</u>
Total current liabilities	<u>1,012,358</u>	<u>33,972</u>	<u>54,099</u>	<u>1,100,429</u>
CURRENT LIABILITIES (FROM RESTRICTED ASSETS)				
Contracts payable, current portion		290,000	69,660	359,660
Bonds payable, current portion	305,000	145,000		450,000
	<u>305,000</u>	<u>145,000</u>	<u>69,660</u>	<u>519,660</u>
Total current liabilities (from restricted assets)	<u>305,000</u>	<u>435,000</u>	<u>69,660</u>	<u>809,660</u>
LONG-TERM LIABILITIES (FROM RESTRICTED ASSETS)				
Contracts payable		3,700,000	208,980	3,908,980
Bonds payable	1,555,000	485,000		2,040,000
	<u>1,555,000</u>	<u>485,000</u>	<u>208,980</u>	<u>2,248,980</u>
Total long-term liabilities (from restricted assets)	<u>1,555,000</u>	<u>4,185,000</u>	<u>208,980</u>	<u>5,948,980</u>
Total liabilities	<u>2,872,358</u>	<u>4,653,972</u>	<u>332,739</u>	<u>7,859,069</u>
<u>NET ASSETS</u>				
NET ASSETS				
Invested in capital assets, net of related debt	8,241,421	2,084,747		10,326,168
Unrestricted	2,574,596	5,813,293	234,681	8,622,570
	<u>2,574,596</u>	<u>5,813,293</u>	<u>234,681</u>	<u>8,622,570</u>
Total net assets	<u>\$ 10,816,017</u>	<u>\$ 7,898,040</u>	<u>\$ 234,681</u>	<u>\$ 18,948,738</u>

The notes are an integral part of the financial statements.

CHARTER TOWNSHIP OF GENOA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN
FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2006

	Major Funds		Other Non-major Fund	
	Oak Pointe Water and Sewer Systems Fund	Lake Edgewood Water and Sewer Systems Fund	Pine Creek Water and Sewer Systems Fund	Total
OPERATING REVENUES				
User charges	\$ 757,412	\$ 333,429	\$ 251,213	\$ 1,342,054
OPERATING EXPENSES				
Water and sewer usage		75,910	233,880	309,790
Repairs, maintenance and supplies	197,118	90,544	633	288,295
Contracted labor	263,076	118,904		381,980
Out of scope - contract labor	775	366		1,141
Utilities and telephone	104,988	50,262		155,250
Administration	46,266	17,824	12,521	76,611
Professional fees	25,524	7,700	1,600	34,824
Groundwater exceedence	47,802	54,173		101,975
Insurance	14,643	6,361		21,004
Depreciation	304,787	151,322		456,109
Meter reading	19,792	3,333	7,145	30,270
Sludge disposal	32,496	13,982		46,478
Total operating expenses	1,057,267	590,681	255,779	1,903,727
Operating income (loss)	(299,855)	(257,252)	(4,566)	(561,673)
NON-OPERATING REVENUES AND (EXPENSES)				
Connection fees		862,761		862,761
Interest income - special assessments	101,719	281,733	5,396	388,848
Interest income - reserved accounts	43,516			43,516
Interest income - general	2,958	1,817	2,115	6,890
Interest expense - bonds	(65,224)	(282,524)		(347,748)
Other revenue (expense), net	(1,310)	87	2,440	1,217
Total non-operating revenues and (expenses)	81,659	863,874	9,951	955,484
Net income (loss)	(218,196)	606,622	5,385	393,811
NET ASSETS JULY 1, 2005	11,034,213	7,498,918	229,296	18,762,427
PRIOR PERIOD ADJUSTMENT		(207,500)		(207,500)
NET ASSETS JUNE 30, 2006	\$ 10,816,017	\$ 7,898,040	\$ 234,681	\$ 18,948,738

The notes are an integral part of the financial statements.

CHARTER TOWNSHIP OF GENOA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2006

	Major Funds		Other Non-major Fund	
	Oak Pointe Water and Sewer Systems Fund	Lake Edgewood Water and Sewer Systems Fund	Pine Creek Water and Sewer Systems Fund	Total
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES				
Receipts from customers	\$ 737,557	\$ 336,455	\$ 228,877	\$ 1,302,889
Payments to vendors	(766,336)	(444,150)	(259,170)	(1,469,686)
Net cash from (used in) operating activities	(28,779)	(107,695)	(30,293)	(166,767)
CASH FLOWS FROM (USED IN) CAPITAL AND RELATED FINANCING ACTIVITIES				
Connection fees		862,761		862,761
Repayment of principal on bonds	(295,000)	(425,000)		(720,000)
Special assessment collections	292,310	50,319	63,551	406,180
Collections City of Brighton - contract receivable		17,200		17,200
Payment on City of Brighton - contract payable			(69,660)	(69,660)
Interest received from special assessments and reserved accounts	145,235	281,733	5,396	432,364
Interest paid on bonds	(65,224)	(282,524)		(347,748)
Additions to systems	(960,517)	(208,973)		(1,169,490)
Net cash from (used in) capital and related financing activities	(883,196)	295,516	(713)	(588,393)
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES				
Interest received from operating	2,958	1,817	2,115	6,890
Other revenue (expense), net	(1,310)	87	2,440	1,217
Investments in Brownsfield Authority	(27,255)			(27,255)
Loans to other funds	(1,316)	(109,633)	(4,766)	(115,715)
Loans from other funds	223,581			223,581
Net cash from (used in) investing activities	196,658	(107,729)	(211)	88,718
Net increase (decrease) in cash and cash equivalents	(715,317)	80,092	(31,217)	(666,442)
CASH AND CASH EQUIVALENTS AT JULY 1, 2005	2,313,700	1,845,473	351,308	4,510,481
CASH AND CASH EQUIVALENTS AT JUNE 30, 2006	\$ 1,598,383	\$ 1,925,565	\$ 320,091	\$ 3,844,039
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM (USED IN) OPERATING ACTIVITIES				
Operating income (loss)	\$ (299,855)	\$ (257,252)	\$ (4,566)	\$ (561,673)
Adjustments to reconcile operating income (loss) to net cash from (used in) operating activities				
Depreciation expense	304,787	151,322		456,109
Changes in assets and liabilities				
Receivables, net	(19,855)	3,026	(22,336)	(39,165)
Inventory	(11,100)			(11,100)
Checks issued in excess of available cash	26,878			26,878
Accounts and other payables	(29,634)	(4,791)	(3,391)	(37,816)
Net cash from (used in) operating activities	\$ (28,779)	\$ (107,695)	\$ (30,293)	\$ (166,767)

The notes are an integral part of the financial statements.

CHARTER TOWNSHIP OF GENOA
FIDUCIARY FUNDS
STATEMENT OF ASSETS AND LIABILITIES
JUNE 30, 2006

ASSETS

ASSETS

Cash and cash equivalents

\$ 135,600

LIABILITIES

LIABILITIES

Deposits

\$ 128,129

Due to other funds

7,471

Total liabilities

\$ 135,600

NOTES
TO
THE
FINANCIAL
STATEMENTS

CHARTER TOWNSHIP OF GENOA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2006

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting and reporting policies of the Township relating to the funds and account groups included in the accompanying combined financial statements conform to generally accepted accounting principles applicable to state and local governments. The more significant accounting policies of the Township are described below.

A. BASIC FINANCIAL STATEMENTS

In accordance with GASB Statement No. 34 - *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*, the basic financial statements include both government-wide and fund financial statements.

The government-wide financial statements (Statement of Net Assets and Statement of Activities) report on the Township as a whole, excluding fiduciary activities. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. All activities, both governmental and business-type, are reported in the government-wide financial statements using the economic resources measurement focus and the accrual basis of accounting, which includes long-term assets and receivables as well as long-term debt and obligations. The government-wide financial statements focus more on the sustainability of the Township as an entity and the change in aggregate financial position resulting from the activities of the fiscal period.

Generally, the effect of interfund activity has been removed from the government-wide financial statements. Net interfund activity and balances between governmental activities and business-type activities are shown in the government-wide financial statements.

The government-wide Statement of Net Assets reports all financial and capital resources of the Township (excluding fiduciary funds). It is displayed in a format of assets less liabilities equals net assets, with the assets and liabilities shown in order of their relative liquidity. Net assets are required to be displayed in three components: 1) invested in capital assets, net of related debt, 2) restricted, and 3) unrestricted. Invested in capital assets, net of related debt is capital assets net of accumulated depreciation and reduced by outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Restricted net assets are those with constraints placed on their use by either: 1) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations or other governments, or 2) imposed by law through constitutional provisions or enabling legislation. All net assets not otherwise classified as restricted, are shown as unrestricted. Generally the Township would first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

CHARTER TOWNSHIP OF GENOA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2006

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The Government-Wide Statement of Activities demonstrates the degree to which both direct and indirect expenses of the various functions and programs of the Township are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or identifiable activity. Indirect expenses for administrative overhead are allocated among the functions and activities using a full cost allocation approach and are presented separately to enhance comparability of direct expenses between governments that allocate direct expenses and those that do not. Interest on general long-term debt is not allocated to the various functions. Program revenues include: 1) charges to customers or users who purchase, use or directly benefit from goods, services or privileges provided by a particular function or program and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or program. Taxes, unrestricted investment income and other revenues not identifiable with particular functions or programs are included as general revenues. The general revenues support the net costs of the functions and programs not covered by program revenues.

Also, part of the basic financial statements are fund financial statements for governmental funds and proprietary funds. The focus of the fund financial statements is on major funds, as defined by GASB Statement No. 34. Although this reporting model sets forth minimum criteria for determination of major funds (a percentage of assets, liabilities, revenues, or expenditures/expenses of fund category and of the governmental and enterprise funds combined), it also gives governments the option of displaying other funds as major funds. Other non-major funds, are combined in a single column on the fund financial statements.

The Township reports the following major governmental funds:

The General Fund is the Township's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Genoa-Oceola Phase II, Grand River Road, Grand River Water, and the Lake Edgewood West Water Debt Service Funds are all major governmental funds. These funds account for the collection of special assessments and payment of debt service for the debt issued to finance various utility system and road projects of the Township.

The Reimbursable Road Projects accounts for the collection of special assessments and payments of construction costs for Township financed road projects.

The Township reports the following major enterprise funds.

Oak Pointe Water and Sewer System Fund accounts for the activity associated with operating the utility system at the Oak Pointe development.

The Lake Edgewood Water and Sewer Fund accounts for the activities associated with operating the utility system at the Lake Edgewood development.

CHARTER TOWNSHIP OF GENOA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2006

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

The governmental fund financial statements are prepared on a current financial resources measurement focus and modified accrual basis of accounting. To conform to the modified accrual basis of accounting, certain modifications must be made to the accrual method. These modifications are outlined below:

- A. Revenue is recorded when it becomes both measurable and available (received within 60 days after year-end). Revenue considered susceptible to accrual includes: property taxes, sales and use taxes, transient occupancy taxes, licenses, fees and permits, intergovernmental revenues, charges for services, fines, forfeits and penalties, and interest.
- B. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as fund liabilities when due or when amounts have been accumulated in the debt service fund for payments to be made early in the following year.
- C. Disbursements for the purchase of capital assets providing future benefits are considered expenditures. Bond proceeds are reported as another financing source.

With this measurement focus, operating statements present increases and decreases in net current assets and unreserved fund balance as a measure of available resources.

This is the traditional basis of accounting for governmental funds and also is the manner in which these funds are normally budgeted. This presentation is deemed most appropriate to: 1) demonstrate legal and covenant compliance, 2) demonstrate the sources and uses of liquid resources, and 3) demonstrate how the Township's actual revenues and expenditures conform to the annual budget. Since the governmental funds financial statements are presented on a different basis than the governmental activities column of the government-wide financial statements, a reconciliation is provided immediately following each fund statement. These reconciliations briefly explain the adjustments necessary to transform the fund financial statements into the governmental activities column of the government-wide financial statements.

CHARTER TOWNSHIP OF GENOA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2006

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The proprietary funds financial statements are prepared on the same basis (economic resources measurement focus and accrual basis of accounting) as the government-wide financial statements. Therefore, most lines for the total enterprise funds on the proprietary funds financial statements will directly reconcile to the business-type activities column on the government-wide financial statements. Because the enterprise funds are combined into a single business-type activities column on the government-wide financial statements, certain interfund activities between these funds are eliminated in the consolidation for the government-wide financial statements, but are included in the fund columns in the proprietary funds financial statements.

Enterprise funds account for operations where the intent of the Township is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. Under GASB Statement No. 34, enterprise funds are also required for any activity whose principal revenue sources meet any of the following criteria: 1) any activity that has issued debt backed solely by the fees and charges of the activity, 2) if the cost of providing services for any activity, including capital costs such as depreciation or debt service, must legally be recovered through fees and charges of the activity, or 3) it is the policy of the Township to establish activity fees or charges to recover the cost of providing services, including capital costs.

On the proprietary funds financial statements, operating revenues are those that flow directly from the operations of the activity, i.e. charges to customers or users who purchase or use the goods or services of that activity. Operating expenses are those that are incurred to provide those goods or services. Non-operating revenues and expenses are items such as investment income and interest expense that are not a result of the direct operations of the activity.

Under GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, the Township has elected for proprietary funds not to apply Financial Accounting Standards Board statements issued after November 30, 1989.

Fiduciary funds account for assets held by the Township in a trustee or agency capacity on behalf of others and, therefore, are not available to support Township programs. Fiduciary funds are not included in the government-wide financial statements as they are not an asset of the Township available to support Township programs. The Township currently maintains an agency fund to account for the monies collected and paid on behalf of developer's escrow accounts.

CHARTER TOWNSHIP OF GENOA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2006

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. CAPITAL ASSETS

Under GASB Statement No. 34, all capital assets, whether owned by governmental activities or business-type activities, are recorded and depreciated in the government-wide financial statements. No long-term capital assets or depreciation are shown in the governmental funds financial statements.

Capital assets, including public domain infrastructure (e.g., roads, bridges, sidewalks and other assets that are immovable and of value only to the Township) are defined as assets with an initial, individual cost of more than \$5,000) and an estimated useful life greater than one year. Capital assets are recorded at cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at the estimated fair market value at the date of donation. Real property are considered capital assets regardless of initial cost.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major improvements are capitalized and depreciated over the remaining useful lives of the related capital assets.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Buildings, structures and improvements	5 to 50 years
Utility plant	5 to 50 years
Machinery and equipment	2 to 40 years
Infrastructure	25 to 50 years

Capital assets transferred between funds are transferred at their net book value (cost less accumulated depreciation), as of the date of the transfer.

D. ACCRUED COMPENSATED ABSENCES

The Township has recorded a liability for compensated absences of its employees. The policies regarding compensated absences are outlined in the Township's "Rules of Employment".

E. BUDGETARY DATA

The board of trustees follow the procedures as outlined in the Uniform Budgeting Manual for Local Units of Government in Michigan in the establishment of the various annual budgets.

The supervisor prepares the annual budgets through information received by the clerk. The proposed budget is then submitted for discussion and approved by the entire Township board. The budget is approved by activity rather than line item. If and when it becomes necessary to amend certain amounts in the budget, a proposal outlining the desired changes is made to and approved by the Township board at any of their regular meetings. Budget appropriations made, but not expended by year end, will lapse with the fiscal year end.

For the year ended June 30, 2006, expenditures exceeded appropriations in several line items.

CHARTER TOWNSHIP OF GENOA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2006

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

F. PROPERTY TAXES

The Township's property taxes are levied and become a lien on December 1st based on the taxable valuation of property located in the Township as of the preceding December 31st. These taxes are due on February 14th, with the final collection date of February 28th before they are added to the county delinquent tax rolls.

For the year ended June 30, 2006, the Township recognized the property taxes levied December 1, 2005 as revenue.

Taxable Value:	\$ 1,045,152,408
Township Millage Rate:	0.81460

Michigan personal property tax assessments have been based, since the 1960's, on the use of one or more of several different multiplier tables formulated by the State Tax Commission against taxpayer reported original cost, depending on the assessor's view of the average life of the personal property. The State Tax Commission has indicated that it plans to reformulate the multipliers. The State Tax Tribunal has informally indicated that once the new multipliers are approved, it may allow them to be applied retroactively in pending personal property tax appeals.

G. INVESTMENTS

Investments are stated at lower of cost or market.

H. CASH EQUIVALENTS

For purposes of the statement of cash flows, demand deposits and short-term investments with a maturity date of three months or less when acquired are considered to be cash equivalents.

I. INCOME TAXES

As a governmental agency, the Township is exempt from both federal income taxes and Michigan Single Business Tax.

CHARTER TOWNSHIP OF GENOA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2006

NOTE 2 - DESCRIPTION OF REPORTING ENTITY

In accordance with Governmental Accounting Standards Board (GASB) statement number 39, all funds, agencies, and activities of Charter Township of Genoa as the primary government have been included in the financial statements.

The following potential component units have been evaluated under the criteria established by GASB statement number 39 and determined not to be component units based on financial independence and accountability.

1. Genoa-Oceola Sewer and Water Authority - Charter Township of Genoa appoints two members of the authority's four member board. The authority is fiscally independent from the Township. The authority is audited as an independent entity in compliance with Public Act 2.
2. South Eastern Livingston County Recreation Authority - (SELCRA) - SELCRA is an interlocal agreement which includes the City of Brighton, Brighton Area Schools, Charter Township of Genoa and Brighton Township. SELCRA is a component unit of Brighton Area Schools and is included as part of its reporting entity.
3. Brighton Area District Library - This unit is an interlocal agreement between Brighton Township, City of Brighton and Charter Township of Genoa. A separate audit is conducted for this unit.
4. Southeast Michigan Council of Governments (SEMCOG) - SEMCOG is a regional organization of governments located in Livingston, Macomb and Monroe Counties. A separate audit is conducted for this unit.
5. Marion, Howell, Oceola, Genoa Sewer and Water Authority (MHOG) - Charter Township of Genoa appoints two members of the Authority's eight member board. The authority is fiscally independent from the Township. The Authority is audited as an independent entity in compliance with Public Act 2.
6. Brighton Area Fire Authority - Charter Township of Genoa appoints two members of the Authority's eight member board. The Authority was incorporated July 1, 2000 and is audited as an independent entity in compliance with Public Act 2.
7. Howell Area Fire Authority - Charter Township of Genoa appoints one member of the Authority's six member board. The Authority was incorporated January 1, 2002 and is audited as an independent entity in compliance with Public Act 2.

CHARTER TOWNSHIP OF GENOA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2006

NOTE 3 - DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS

Michigan Compiled Laws, Section 129.91, authorizes the Township to deposit and invest in the accounts of Federally insured banks, credit unions, and savings and loan associations; bonds, securities and other direct obligations of the United States, or any agency or instrumentality of the United States; United States government or Federal agency obligation repurchase agreements; bankers' acceptance of United States banks; commercial paper rated by two standard rating agencies within the two highest classifications, which mature not more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions which are rated investment grade; and mutual funds composed of investment vehicles which are legal for direct investment by local units of government in Michigan. Financial institutions eligible for deposit of public funds must maintain an office in Michigan. The Township maintains a \$200 imprest petty cash fund.

The Township board has designated nine banks for the deposit of Township funds. The investment policy adopted by the board is in accordance with Act 196 PA 1997.

The Township's deposits and investments are in accordance with statutory authority.

The Governmental Accounting Standards Board Statement No. 3 risk disclosures for the Township's cash deposits are as follows:

<u>Deposits</u>	<u>Fiduciary Funds</u>	<u>Primary Government</u>	<u>Total</u>	<u>Bank/Broker Balance</u>
Insured (FDIC)	\$	\$ 736,989	\$ 736,989	\$ 736,989
Uninsured and uncollateralized	<u>135,601</u>	<u>14,910,040</u>	<u>15,045,641</u>	<u>15,120,215</u>
Total deposits	<u>\$ 135,601</u>	<u>\$ 15,647,029</u>	<u>\$ 15,782,630</u>	<u>\$ 15,857,204</u>

CHARTER TOWNSHIP OF GENOA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2006

NOTE 4 - CAPITAL ASSETS

Capital asset activity for the governmental funds for the year ended June 30, 2006 was as follows:

	Balance 7/01/05	Additions	Deletions	Balance 6/30/06
Land	\$ 180,000	\$ 115,000	\$	\$ 295,000
Buildings and improvements	3,251,278	41,680		3,292,958
Machinery and equipment	<u>293,861</u>	<u>25,300</u>		<u>319,161</u>
Total capital assets	3,725,139	181,980		3,907,119
Accumulated depreciation	<u>(531,204)</u>	<u>(115,173)</u>		<u>(646,377)</u>
Governmental activities capital asset, net	<u>\$ 3,193,935</u>	<u>\$ 66,807</u>	<u>\$</u>	<u>\$ 3,260,742</u>

Depreciation expense is being recorded in the government-wide statement of activities based upon the fund and activity utilizing the assets. The Township utilizes that straight line method to depreciate capital assets over their estimated useful lives. Depreciation expense was allocated to the following activities:

General government	\$ 61,886
Fire protection	23,641
Parks and recreation	<u>29,646</u>
	<u>\$ 115,173</u>

Investment in capital asset, net of related debt at June 30, 2006	<u>\$ 3,260,742</u>
--	---------------------

As of June 30, 2006 there was no debt outstanding that was related to the Township's capital assets.

CHARTER TOWNSHIP OF GENOA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2006

NOTE 4 - CAPITAL ASSETS (continued)

A summary of proprietary fund type property and equipment as of June 30, 2006, is as follows:

OAK POINT WATER AND SEWER SYSTEMS				
	Balance 7/01/05	Additions	Deletions	Balance 6/30/06
Land	\$ 358,855	\$	\$	\$ 358,855
Water system	3,243,716	1,315,869		4,559,585
Sewer system	<u>8,736,122</u>			<u>8,736,122</u>
	12,338,693	1,315,869		13,654,562
Less accumulated depreciation	<u>(3,248,354)</u>	<u>(304,787)</u>		<u>(3,553,141)</u>
Total	<u>\$ 9,090,339</u>	<u>\$ 1,011,082</u>	<u>\$</u>	<u>\$ 10,101,421</u>
Construction in Progress	<u>\$ 355,352</u>	<u>\$ 917,214</u>	<u>\$ 1,272,566</u>	<u>\$</u>

LAKE EDGEWOOD SEWER SYSTEM				
	Balance 7/01/05	Additions	Deletions	Balance 6/30/06
Land	\$ 259,009	\$ 1,000	\$	\$ 260,009
Sewer system	<u>7,462,949</u>	<u>240,796</u>		<u>7,703,745</u>
	7,721,958	241,796		7,963,754
Less accumulated depreciation	<u>(1,107,685)</u>	<u>(151,322)</u>		<u>(1,259,007)</u>
Total	<u>\$ 6,614,273</u>	<u>\$ 90,474</u>	<u>\$</u>	<u>\$ 6,704,747</u>
Construction in progress	<u>\$ 240,323</u>	<u>\$</u>	<u>\$ 240,323</u>	<u>\$</u>

TOTAL ALL ENTERPRISE FUNDS				
	Balance 7/01/05	Additions	Deletions	Balance 6/30/06
Land	\$ 617,864	\$ 1,000	\$	\$ 618,864
Water and sewer systems	<u>19,442,787</u>	<u>1,556,665</u>		<u>20,999,452</u>
	20,060,651	1,557,665		21,618,316
Less accumulated depreciation	<u>(4,356,039)</u>	<u>(456,109)</u>		<u>(4,812,148)</u>
Total	<u>\$ 15,704,612</u>	<u>\$ 1,101,556</u>	<u>\$</u>	<u>\$ 16,806,168</u>
Construction in progress	<u>\$ 595,675</u>	<u>\$ 917,214</u>	<u>\$ 1,512,889</u>	<u>\$</u>

CHARTER TOWNSHIP OF GENOA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2006

NOTE 5 - LONG-TERM DEBT

The following is a summary of the Township's debt categorized for governmental and proprietary funds for the year ended June 30, 2006:

Governmental Fund Long-Term Debt - Contracts Payable

1. Payable to Livingston County Department of Public Works, Joint Water Treatment Plant construction; contract with Marion, Howell and Oceola Townships; principal is payable in annual installments of \$80,000 to \$113,750 starting June 1, 2003 to 2016, interest at 2.8% to 4.6% payable semi-annually.
2. Payable to Genoa-Oceola SWATH - Sewer plant expansion; contract with Genoa-Oceola SWATH, (paid from new user funds); principal is payable in annual installments of \$56,304 to \$140,000; interest at 4% to 4.8%; maturity date is June 1, 2021.
3. Payable to First National Bank of Howell, new fire station, payable in monthly installments of \$13,475 principal and interest, interest at 2.870% per annum, maturity date is June 1, 2008; loan is unsecured with the full faith and credit of the Township. The debt has been paid in full.

Total governmental fund long-term debt - contracts payable

<u>Balance 7/01/05</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 6/30/06</u>	<u>Current Portion</u>
\$ 1,048,750	\$	\$ 80,000	\$ 968,750	\$ 80,000
1,571,956		65,424	1,506,532	68,468
<u>119,159</u>	<u></u>	<u>119,159</u>	<u></u>	<u></u>
<u>\$ 2,739,865</u>	<u>\$</u>	<u>\$ 264,583</u>	<u>\$ 2,475,282</u>	<u>\$ 148,468</u>

CHARTER TOWNSHIP OF GENOA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2006

NOTE 5 - LONG-TERM DEBT (continued)

Governmental Fund Long-Term Debt - Bonds Payable

1. Payable to Livingston County Drain Commission, Genoa-Oceola Sewer Drain No. 1, Drainage District Special Assessment Bonds, Series 1991, (Phase II), payable in annual installments of \$60,088 to \$246,675 through 2011, dated June 27, 1991, interest at 2.0% (Charter Township of Genoa's portion 63.25%).
2. Payable to Livingston County Drain Commission, Genoa-Oceola Sanitary Sewer Drain No. 1, Drainage District Refunding Bonds. Series 1998, principal payable in annual installments of 395,000 to \$410,000 starting May 1, 2002 through 2009, interest is charged at 4.2% to 4.25% payable semi-annually.
3. Payable to Michigan Municipal Bond Authority, Grand Oaks Industrial Park Water System Improvement Project, Special assessment bonds, dated December 9, 1998, payable in annual installments of \$25,000 and \$30,000 through November 1, 2018, interest is charged at 3.65% to 5% semi-annually.
4. Payable to Michigan Municipal Bond Authority, Grand River Road Improvement Project, special assessment bonds, dated June 23, 2003, payable in annual installments of \$75,000 and \$80,000 through November 1, 2019 interest is charged at 4.50% to 6.35% semi-annually.
5. Payable to National City Bank, special assessment bonds, Series 2000, (Lake Edgewood West Water Expansion), payable in annual installments of \$35,000 to \$170,000 through May 1, 2020, interest varying from 5.6% to 5.65%.
6. Payable to Fifth Third Bank, special assessment bonds, Series 2001; Dorr Road Water and Sewer Improvement Project; Genoa - Oceola Sanitary Sewer; dated October 1, 2001, payable in annual installments of \$40,000 and \$45,000 through November 1, 2021, interest varying from 4% to 5%.
7. Payable to Michigan Municipal Bond Authority, Tri-Lakes Road improvement project, refunding bonds (local project bonds), dated May 13, 2005, Series 2005, payable in annual installments of \$50,000 to \$60,000 through December 1, 2013, interest varying from 2.0% to 4.0%.
8. Payable to Michigan Municipal Bond Authority, Grand River Water improvement project, refunding bond (local project bonds) dated May 13, 2005, Series 2005, payable in annual installments of \$100,000 to \$115,000 through 2014, interest varying from 2.0% to 4.0%.

Total governmental fund long-term debt - bonds payable

Total governmental fund long-term debt

<u>Balance 7/01/05</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 6/30/06</u>	<u>Current Portion</u>
\$ 1,590,738	\$	\$ 253,000	\$ 1,337,738	\$ 256,162
1,277,437		316,355	961,082	316,356
350,000		25,000	325,000	30,000
1,055,000		80,000	975,000	75,000
2,550,000		170,000	2,380,000	170,000
650,000		40,000	610,000	40,000
440,000		55,000	385,000	50,000
<u>965,000</u>	<u></u>	<u>100,000</u>	<u>865,000</u>	<u>100,000</u>
<u>\$ 8,878,175</u>	<u>\$</u>	<u>\$ 1,039,355</u>	<u>\$ 7,838,820</u>	<u>\$ 1,037,518</u>
<u>\$ 11,618,040</u>	<u>\$</u>	<u>\$ 1,303,938</u>	<u>\$ 10,314,102</u>	<u>\$ 1,185,986</u>

CHARTER TOWNSHIP OF GENOA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2006

NOTE 5 - LONG-TERM DEBT (continued)

Proprietary Long-Term Debt - Contracts Payable

1. Payable to City of Brighton, wastewater treatment and water service contract for Pine Creek subdivision, payable in annual installments of \$69,660 principal only on December 4 through 2009.
2. Payable to Livingston County Department of Public Works, Lake Edgewood Water Expansion, principal is payable in annual installments of \$25,000 to \$30,000 through May 1, 2017, interest is charged at 4.3% to 5.4% payable semi-annually.
3. Payable to Livingston County Department of Public Works, Lake Edgewood West Sewer Expansion, principal is payable in annual installments of \$110,000 to \$265,000 through May 1, 2020, interest is charged at 5.0% to 5.75% payable semi-annually.

Total proprietary long-term debt - contracts payable

Proprietary Long-Term Debt - Bonds Payable

1. Payable to Michigan Municipal Bond Authority, special assessment bonds, Series 1988, Homestead Road Sewer Project (Oak Pointe Water and Sewer Systems), payable in annual installments of \$10,000 to \$45,000 through 2007, interest varying from 5.65% to 7.75%.
2. Payable to Michigan Municipal Bond Authority, special assessment bonds, Series 1989, (Lake Edgewood Water and Sewer Systems-Phase I), payable in annual installments of \$5,000 to \$125,000 through 2009, interest varying from 6.55% to 9.95%.
3. Payable to Michigan Municipal Bond Authority, special assessment bonds, Series 1991, Tri-Lakes Area Sewer Project (Oak Pointe Water and Sewer Systems), payable in annual installments of \$120,000 to \$155,000 through 2011, interest at 2.0%.
4. Payable to Michigan Municipal Bond Authority, special assessment bonds, Series 1992, (Lake Edgewood Water and Sewer Systems-Phase II), payable in annual installments of \$5,000 to \$25,000 through 2012, interest varying from 3.3% to 6.65%.
5. Payable to Michigan Municipal Bond Authority, special assessment bonds, Series 1993, (Lake Edgewood Water and Sewer Systems-Phase III), payable in annual installments of \$9,000 to \$25,000 through 2013 interest varying from 3.5% to 7.5%.
6. Payable to Michigan Municipal Bond Authority, special assessment bonds, Series 1995, (Northeast Tri-Lakes Sewer System), payable in annual installments of \$20,000 to \$40,000 through 2015, interest varying from 5.0% to 7%.
7. Payable to Michigan Municipal Bond Authority refunding bond, special assessment bonds, Series 2005, (Oak Pointe Water Improvement System), payable in annual installments of \$60,000 to \$75,000 through 2014, interest varying from 2% to 4%.

Total proprietary long-term debt - bonds payable

Total proprietary long-term debt

Total Township debt

<u>Balance 7/01/05</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 6/30/06</u>	<u>Current Portion</u>
\$ 348,300	\$	\$ 69,660	\$ 278,640	\$ 69,660
310,000		30,000	280,000	25,000
<u>3,975,000</u>	<u></u>	<u>265,000</u>	<u>3,710,000</u>	<u>265,000</u>
<u>\$ 4,633,300</u>	<u>\$</u>	<u>\$ 364,660</u>	<u>\$ 4,268,640</u>	<u>\$ 359,660</u>
\$ 90,000	\$	\$ 45,000	\$ 45,000	\$ 45,000
450,000		100,000	350,000	110,000
1,085,000		155,000	930,000	155,000
150,000		15,000	135,000	20,000
160,000		15,000	145,000	15,000
365,000		35,000	330,000	40,000
<u>615,000</u>	<u></u>	<u>60,000</u>	<u>555,000</u>	<u>65,000</u>
<u>2,915,000</u>	<u></u>	<u>425,000</u>	<u>2,490,000</u>	<u>450,000</u>
<u>\$ 7,548,300</u>	<u>\$</u>	<u>\$ 789,660</u>	<u>\$ 6,758,640</u>	<u>\$ 809,660</u>
<u>\$ 19,166,340</u>	<u>\$</u>	<u>\$ 2,093,598</u>	<u>\$ 17,072,742</u>	<u>\$ 1,995,646</u>

CHARTER TOWNSHIP OF GENOA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2006

NOTE 5 - LONG-TERM DEBT (continued)

The following is a schedule of principal and interest payments to service the long-term debt of the Township:

	<u>Contracts Payable</u>	
	<u>Principal</u>	<u>Interest</u>
2006-2007	\$ 508,128	\$ 338,147
2007-2008	512,713	314,183
2008-2009	520,747	290,953
2009-2010	525,312	267,600
2010-2011	458,696	244,051
2011-2016	2,495,271	849,862
2016-2021	<u>1,723,055</u>	<u>247,079</u>
Total	<u>\$ 6,743,922</u>	<u>\$ 2,551,875</u>

	<u>Bonds Payable</u>	
	<u>Principal</u>	<u>Interest</u>
2006-2007	\$ 1,487,518	\$ 373,966
2007-2008	1,458,842	337,564
2008-2009	1,487,183	291,835
2009-2010	1,056,975	254,626
2010-2011	1,063,301	212,848
2011-2016	2,605,000	617,568
2016-2021	<u>1,170,000</u>	<u>160,260</u>
Total	<u>\$ 10,328,819</u>	<u>\$ 2,248,667</u>

	<u>Total</u>	
	<u>Principal</u>	<u>Interest</u>
2006-2007	\$ 1,995,646	\$ 712,113
2007-2008	1,971,555	651,747
2008-2009	2,007,930	582,788
2009-2010	1,582,287	522,226
2010-2011	1,521,997	456,899
2011-2016	5,100,271	1,467,430
2016-2021	<u>2,893,055</u>	<u>407,339</u>
Total	<u>\$ 17,072,741</u>	<u>\$ 4,800,542</u>

CHARTER TOWNSHIP OF GENOA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2006

NOTE 6 - INTERFUND RECEIVABLES AND PAYABLES

Interfund receivables and payables exist at June 30, 2006. These represent short-term borrowings and amounts owed for reimbursements between other funds. The total interfund receivable and payable at June 30, 2006 is \$896,813.

NOTE 7 - SEGMENT INFORMATION - ENTERPRISE FUNDS

Selected financial information with respect to the three enterprise funds maintained by the Township for water and sewer service is as follows:

	<u>Oak Pointe</u>	<u>Lake Edgewood</u>	<u>Pine Creek</u>	<u>Total</u>
Operating revenues	\$ 757,412	\$ 333,429	\$ 251,213	\$ 1,342,054
Depreciation	304,787	151,322		456,109
Operating income (loss)	(299,855)	(257,252)	(4,566)	(561,673)
Net working capital	(518,882)	219,701	174,097	(125,084)
Total assets	13,688,375	12,552,012	567,420	26,807,807
Retained earnings	10,816,017	7,898,040	234,681	18,948,738

NOTE 8 - STATEMENT OF CASH FLOWS - ENTERPRISE FUNDS

Pursuant to the Governmental Accounting Standards Board (GASB) statement number 9, a statement of cash flows is presented. The purpose of the statement of cash flows is to explain the change in cash and cash equivalents during the year.

The direct method was utilized to present cash flows from operations. The following is a summary of beginning and ending cash and cash equivalents:

	<u>7/01/05</u>	<u>6/30/06</u>
Current assets		
Cash and cash equivalents	<u>\$ 315,549</u>	<u>\$ 180,549</u>
Restricted assets		
Cash and cash equivalents	<u>\$ 4,194,932</u>	<u>\$ 3,663,490</u>

CHARTER TOWNSHIP OF GENOA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2006

NOTE 9 - PENSION PLAN (DEFINED CONTRIBUTION PLAN)

The Township of Genoa has adopted the Principal Financial Group Money Purchase Pension Plan, a defined contribution plan with an effective date of July 1, 1991. The Township is making contributions to the plan on behalf of all eligible employees. Eligible employees are employees who have been employed for one whole year with a minimum of 1,000 hours of service. The Township's payroll for employees covered by the plan for the year ended June 30, 2006 was \$688,572, the Township's total payroll was \$799,684.

A defined contribution pension plan provides pension benefits in return for services rendered, provides an individual account for each participant, and specifies how contributions to the individual's account are to be determined instead of specifying the amount of benefits the individual is to receive. Under a defined contribution pension plan, the benefits a participant will receive depend solely on the amount contributed to the participants account, the returns earned on investments of those contributions, and forfeitures of other participants' benefits that may be allocated to such participants account. Contributions, required solely by the Township vest 100% in the initial year of vesting service. An employee who leaves the employment of the Township for reasons other than death, total disability or normal retirement is entitled to the Township's contributions if vesting requirements are satisfied. The Township is required to contribute an amount equal to 10% of the employee's annual compensation.

Total covered payroll	\$	688,572
Total contributions	\$	68,855
Contributions as a % of covered payroll		10.00%

NOTE 10 - PENSION PLAN (DEFINED BENEFIT PLAN)

The Township of Genoa participates in the Michigan Municipal Employees Retirement System (MERS) which is an agent multiple-employer, state-wide, defined public employee retirement plan created under Public Act 135 of 1945 and now operates under Public Act 220 of 1996. MERS was established by the State of Michigan for purposes of providing retirement, survivor and disability benefits on a voluntary basis to the State's local government employees. Under Public Act 220, MERS became an independent public non-profit corporation independent from State government. The effective date of independence was August 15, 1996, at which time MERS ceased to be a part of the State of Michigan, Department of Management and Budget. The Township has no fiduciary responsibility for the plan. Only the Township Manager was eligible to participate in the plan with a total covered payroll of \$80,993. Starting with the fiscal year beginning July 1, 2006 the Public Utilities Director was permitted to join the plan. Total contributions made for the year ended June 30, 2006 totaled \$7,587.

CHARTER TOWNSHIP OF GENOA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2006

NOTE 10 – PENSION PLAN (DEFINED BENEFIT PLAN) (continued)

At December 31, 2005, the unfunded pension benefit obligation was \$6,061, determined as follows:

Actuarial accrued liability	
Retirees and beneficiaries currently receiving benefits	\$ 0
Terminated employees not yet receiving benefits	0
Current employees	
Accumulated employee contribution, including allocated investment income	1,704
Employer financed	<u>26,583</u>
 Total actuarial accrued liabilities	 28,287
 Net assets available for benefits, at cost (at market \$21,640)	 <u>22,226</u>
 Unfunded (overfunded) actuarial accrued liabilities	 <u>\$ 6,061</u>
 Fiscal Year Beginning	 July 1, 2007
 Annual Required Contribution (ARC)	 \$ 6,528
 Amortization Factor Used - Under funded Liabilities (30 years)	 0.053632

NOTE 11 - MANAGEMENT ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE 12 - RISK MANAGEMENT

The Township is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Township maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Township. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

CHARTER TOWNSHIP OF GENOA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2006

NOTE 13 - CONTINGENT LIABILITIES

A. Wastewater Treatment System - Lake Edgewood

The Township entered into a Consent Order with the Michigan Department of Environmental Quality (MDEQ) to complete an investigation of the sodium and chloride plume leaving the Wastewater Treatment Plant (WWTP) and to evaluate remedial measures. The Consent Order requires a discharge from the plant's effluent of 150 mg/l for sodium and 250 mg/l for chlorides.

Much effort was completed to educate the general public, housing developers, condominium owners, and local water softener distributors about the Township's sewer use ordinance that requires use of potassium chloride for water softener regenerate in lieu of sodium chloride salts, and for the disconnection of the water softener from the sanitary sewers. The plant was brought into compliance for both sodium and chloride by the December 31, 2002, consent order deadline.

A remedial investigation that delineated the extent of the plume was completed in 2002. The plume extends approximately ¼ mile southeast of the Wastewater Treatment Plant and discharges in Brighton Township to Woodland Lake. The site is currently operating under an MDEQ approved Interim Remedial Action Plan (IRAP). The IRAP requires annual groundwater monitoring and corrective action activities to protect drinking water sources.

In the year ending June 30, 2006, the Township spent approximately \$54,173 to prepare the IRAP, to complete the annual groundwater sampling event, and to provide reverse osmosis units to several residential homes in the area. The amount of additional costs for July 1, 2006 - June 30, 2007 is estimated to be \$25,000. This cost includes conducting monitoring and corrective actions activities.

B. Wastewater Treatment System - Oak Pointe

The Township entered into a Consent Order with the Michigan Department of Environmental Quality (MDEQ) to complete an investigation of the sodium and chloride plume leaving the Wastewater Treatment Plant (WWTP) and to evaluate remedial measures. The Consent Order requires a discharge from the plant's effluent of 150 mg/l for sodium and 250 mg/l for chlorides.

Much effort was completed to educate the general public, housing developers, condominium owners, and local water softener distributors about the Township's sewer use ordinance that requires use of potassium chloride for water softener regenerate in lieu of sodium chloride salts, and for the disconnection of the water softeners from the sanitary sewers. In September 2000 the Township began an extensive residential inspection program to ensure compliance with the Township ordinance. A collection system sampling event was completed in October 2002. The plant was brought into compliance for both sodium and chloride by the December 31, 2002 consent order deadline. An investigation of the contaminated groundwater plume was completed in 2002 and approved by the MDEQ in July 2002. The plume has been shown to extend approximately one-half mile southwest of the WWTP toward Chilson Road.

CHARTER TOWNSHIP OF GENOA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2006

NOTE 13 - CONTINGENT LIABILITIES (continued)

The site is currently operating under a MDEQ approved Interim Response Activities Designed to Meet Criteria Report (IRDC). The IRDC requires annual groundwater monitoring and corrective action activities to protect drinking water sources.

In the year ending June 30, 2006, the Township spent approximately \$47,802 to complete a groundwater sampling event, to complete a residential sampling event, and to provide and maintain reverse osmosis units for residents homes in the area. The amount of additional costs for July 1, 2006 - June 30, 2007 is estimated to be \$35,000. This cost includes conducting annual monitoring activities, the preparation of a mixing zone determination request, and corrective action activities.

NOTE 14 – PRIOR PERIOD ADJUSTMENT - LAKE EDGEWOOD

It was discovered that construction costs of \$207,500 for the Hidden Ponds project was recorded in the prior year as developer contributions and construction in progress. In the current year ending June 30, 2006, it was found the \$207,500 was paid by the Township's new user funds and not the developer. Thus, a correction for the prior year was made through a prior period adjustment to equity.

REQUIRED
SUPPLEMENTARY
INFORMATION

CHARTER TOWNSHIP OF GENOA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2006

	<u>Budgets</u>		<u>Actual</u>	Variance with Final Budget Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>		
REVENUES	\$ 3,892,700	\$ 3,756,935	\$ 3,793,829	\$ 36,894
EXPENDITURES	<u>3,338,700</u>	<u>3,192,437</u>	<u>3,078,346</u>	<u>114,091</u>
Excess of revenues over (under) expenditures	<u>554,000</u>	<u>564,498</u>	<u>715,483</u>	<u>150,985</u>
OTHER FINANCING SOURCES (USES)				
Transfers (out)	<u>(475,000)</u>	<u>(640,000)</u>	<u>(640,000)</u>	
Net change in fund balance	79,000	(75,502)	75,483	150,985
FUND BALANCE, JULY 1, 2005	<u>1,330,951</u>	<u>1,330,951</u>	<u>1,330,951</u>	
FUND BALANCE, JUNE 30, 2006	<u>\$ 1,409,951</u>	<u>\$ 1,255,449</u>	<u>\$ 1,406,434</u>	<u>\$ 150,985</u>

CHARTER TOWNSHIP OF GENOA
REIMBURSABLE ROAD PROJECTS FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2006

	<u>Budgets</u>		<u>Actual</u>	Variance with Final Budget Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>		
REVENUES	\$ 240,282	\$ 253,932	\$ 259,066	\$ 5,134
EXPENDITURES	<u>988,300</u>	<u>1,281,171</u>	<u>1,295,730</u>	<u>(14,559)</u>
Excess of revenues over (under) expenditures	<u>(748,018)</u>	<u>(1,027,239)</u>	<u>(1,036,664)</u>	<u>(9,425)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>407,350</u>	<u>419,223</u>	<u>419,223</u>	
Net change in fund balance	(340,668)	(608,016)	(617,441)	(9,425)
FUND BALANCE, JULY 1, 2005	<u>774,791</u>	<u>774,791</u>	<u>774,791</u>	
FUND BALANCE, JUNE 30, 2006	<u>\$ 434,123</u>	<u>\$ 166,775</u>	<u>\$ 157,350</u>	<u>\$ (9,425)</u>

CHARTER TOWNSHIP OF GENOA
SCHEDULES OF PENSION FUNDING PROGRESS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2006

In accordance with the Governmental Accounting Standards Board Statements No. 25 and 27, the following information is a required part of the basic financial statements.

TOWNSHIP MANAGER

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Unfunded (Overfunded) Accrued Actuarial Liability (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
December 31, 2002	\$ 4,741	\$ 1,870	\$ (2,871)	(153.5%)	\$ 71,339	(3.9)%
December 31, 2003	\$ 10,896	\$ 11,154	\$ 258	97.7%	\$ 74,467	.3 %
December 31, 2004	\$ 16,079	\$ 19,004	\$ 2,925	84.6%	\$ 75,004	3.9%
December 31, 2005	\$ 22,226	\$ 28,287	\$ 6,061	78.6%	\$ 80,993	7.5%

SUPPLEMENTARY
INFORMATION

COMBINING
FINANCIAL
STATEMENTS

CHARTER TOWNSHIP OF GENOA
ALL SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2006

	<u>Liquor Law Enforcement Fund</u>	<u>Road Improvement Fund</u>	<u>Reimbursable Road Projects Fund</u>
<u>ASSETS</u>			
ASSETS			
Cash and cash equivalents	\$ 1,380	\$ 1,141,166	\$ 212,919
Special assessments receivable			557,822
Prepaid expenditures	<u> </u>	<u>115,000</u>	<u> </u>
Total assets	<u><u>\$ 1,380</u></u>	<u><u>\$ 1,256,166</u></u>	<u><u>\$ 770,741</u></u>
 <u>LIABILITIES AND FUND BALANCE</u>			
LIABILITIES			
Accounts payable	\$	\$	\$ 55,569
Due to other funds		2,500	
Deferred revenues	<u> </u>	<u>115,000</u>	<u>557,822</u>
Total liabilities		117,500	613,391
FUND BALANCE	<u>1,380</u>	<u>1,138,666</u>	<u>157,350</u>
Total liabilities and fund balance	<u><u>\$ 1,380</u></u>	<u><u>\$ 1,256,166</u></u>	<u><u>\$ 770,741</u></u>

The notes are an integral part of the financial statements.

Future Development Parks, Paths and Recreation Fund	Building and Grounds Reserve Fund	Total
\$ 729,315	\$ 25,353	\$ 2,110,133
		557,822
		<u>115,000</u>
<u>\$ 729,315</u>	<u>\$ 25,353</u>	<u>\$ 2,782,955</u>

\$	\$	\$ 55,569
		2,500
		<u>672,822</u>
		<u>730,891</u>
<u>729,315</u>	<u>25,353</u>	<u>2,052,064</u>
<u>\$ 729,315</u>	<u>\$ 25,353</u>	<u>\$ 2,782,955</u>

CHARTER TOWNSHIP OF GENOA
ALL DEBT SERVICE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2006

	<u>Dorr Road Water and Sewer Fund</u>	<u>Tri-Lakes Road Fund</u>	<u>Genoa- Oceola Phase I Sewer Fund</u>	<u>Genoa- Oceola Phase II Sewer Fund</u>
<u>ASSETS</u>				
ASSETS				
Cash and cash equivalents	\$ 111,449	\$ 74,028	\$ 273,398	\$ 591,223
Special assessments receivable	380,250	426,309	637,139	960,143
Due from other funds	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 491,699</u>	<u>\$ 500,337</u>	<u>\$ 910,537</u>	<u>\$ 1,551,366</u>
 <u>LIABILITIES AND FUND BALANCE</u>				
LIABILITIES				
Accounts payable	\$ 380,250	\$ 426,309	\$ 637,139	\$ 960,143
Deferred revenues			200	
Due to others	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities	380,250	426,309	637,339	960,143
FUND BALANCE	<u>111,449</u>	<u>74,028</u>	<u>273,198</u>	<u>591,223</u>
Total liabilities and fund balance	<u>\$ 491,699</u>	<u>\$ 500,337</u>	<u>\$ 910,537</u>	<u>\$ 1,551,366</u>

<u>Grand River Water Fund</u>	<u>Grand Oaks Water Fund</u>	<u>Grand River Road Fund</u>	<u>Lake Edgewood West Water Fund</u>	<u>MHOG Plant Expansion Fund</u>	<u>Genoa-Oceola Plant Expansion Fund</u>	<u>Totals</u>
\$ 187,629 846,999	\$ 109,549 314,552	\$ 59,757 839,359	\$ 264,919 2,103,784	\$ 1,073,710	\$ 1,943,902 110,000	\$ 4,689,564 6,508,535 110,000
<u>\$ 1,034,628</u>	<u>\$ 424,101</u>	<u>\$ 899,116</u>	<u>\$ 2,368,703</u>	<u>\$ 1,073,710</u>	<u>\$ 2,053,902</u>	<u>\$ 11,308,099</u>
\$ 846,999	\$ 314,552	\$ 141 839,359	\$ 363 2,103,784	\$	\$	\$ 504 6,508,535 200
846,999	314,552	839,500	2,104,147			6,509,239
<u>187,629</u>	<u>109,549</u>	<u>59,616</u>	<u>264,556</u>	<u>1,073,710</u>	<u>2,053,902</u>	<u>4,798,860</u>
<u>\$ 1,034,628</u>	<u>\$ 424,101</u>	<u>\$ 899,116</u>	<u>\$ 2,368,703</u>	<u>\$ 1,073,710</u>	<u>\$ 2,053,902</u>	<u>\$ 11,308,099</u>

CHARTER TOWNSHIP OF GENOA
ALL CAPITAL PROJECT FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2006

	<u>Grand River Water New User Fund</u>	<u>Genoa-Oceola Phase I Sewer New User Fund</u>	<u>Genoa-Oceola Phase II Sewer New User Fund</u>
<u>ASSETS</u>			
ASSETS			
Cash and cash equivalents	\$ 1,077,487	\$ 1,053,176	\$ 1,584,738
Special assessment receivable			290,984
Due from G/O Authority			250,000
Due from other funds	<u> </u>	<u>720,000</u>	<u> </u>
Total assets	<u>\$ 1,077,487</u>	<u>\$ 1,773,176</u>	<u>\$ 2,125,722</u>
 <u>LIABILITIES AND FUND BALANCE</u>			
LIABILITIES			
Deferred revenues	\$	\$	\$ 290,984
Due to other funds	<u> </u>	<u> </u>	<u>63,666</u>
Total liabilities			354,650
FUND BALANCE	<u>1,077,487</u>	<u>1,773,176</u>	<u>1,771,072</u>
Total liabilities and fund balance	<u>\$ 1,077,487</u>	<u>\$ 1,773,176</u>	<u>\$ 2,125,722</u>

<u>Lake Edgewood West Water Construction Fund</u>	<u>Totals</u>
\$ 7,614	\$ 3,723,015
	290,984
	250,000
	<u>720,000</u>
<u>\$ 7,614</u>	<u>\$ 4,983,999</u>

\$	\$ 290,984
	<u>63,666</u>
	354,650
<u>7,614</u>	<u>4,629,349</u>
<u>\$ 7,614</u>	<u>\$ 4,983,999</u>

CHARTER TOWNSHIP OF GENOA
ALL ENTERPRISE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2006

	Oak Pointe Water and Sewer Systems Fund	Lake Edgewood Water and Sewer Systems Fund	Pine Creek Water and Sewer Systems Fund	Totals
<u>ASSETS</u>				
Current Assets				
Cash and cash equivalents	\$	\$ 35,983	\$ 144,566	\$ 180,549
Accounts receivable	192,063	91,901	76,555	360,519
Due from others	270,453			270,453
Due from other funds	19,860	125,789	7,075	152,724
Inventory	11,100			11,100
Total current assets	<u>493,476</u>	<u>253,673</u>	<u>228,196</u>	<u>975,345</u>
Restricted Assets				
Cash and cash equivalents				
Future improvements	477,011	752,987		1,229,998
Debt service	1,121,372	1,136,595	175,525	2,433,492
Special assessments receivable	1,495,095	3,514,810	163,699	5,173,604
Contract receivable - City of Brighton		189,200		189,200
Total restricted assets	<u>3,093,478</u>	<u>5,593,592</u>	<u>339,224</u>	<u>9,026,294</u>
Property, Plant and Equipment				
Land	358,855	260,009		618,864
Water and sewer systems	<u>13,295,707</u>	<u>7,703,745</u>		<u>20,999,452</u>
	13,654,562	7,963,754		21,618,316
Less accumulated depreciation	<u>3,553,141</u>	<u>1,259,007</u>		<u>4,812,148</u>
Net property, plant and equipment	<u>10,101,421</u>	<u>6,704,747</u>		<u>16,806,168</u>
Total assets	<u>\$ 13,688,375</u>	<u>\$ 12,552,012</u>	<u>\$ 567,420</u>	<u>\$ 26,807,807</u>

	Oak Pointe Water and Sewer Systems Fund	Lake Edgewood Water and Sewer Systems Fund	Pine Creek Water and Sewer Systems Fund	Totals
<u>LIABILITIES AND FUND EQUITY</u>				
Current Liabilities				
Accounts payable	\$ 19,276	\$ 25,329	\$ 47,230	\$ 91,835
Due to other funds	966,204	8,643	6,869	981,716
Checks issued in excess of available cash	<u>26,878</u>			<u>26,878</u>
Total current liabilities	<u>1,012,358</u>	<u>33,972</u>	<u>54,099</u>	<u>1,100,429</u>
Current Liabilities (from restricted assets)				
Special assessment bonds	305,000	145,000		450,000
Contracts payable	<u></u>	<u>290,000</u>	<u>69,660</u>	<u>359,660</u>
Total current liabilities (from restricted assets)	<u>305,000</u>	<u>435,000</u>	<u>69,660</u>	<u>809,660</u>
Long-Term Liabilities (from restricted assets)				
Special assessment bonds	1,555,000	485,000		2,040,000
Contracts payable	<u></u>	<u>3,700,000</u>	<u>208,980</u>	<u>3,908,980</u>
Total long-term liabilities (from restricted assets)	<u>1,555,000</u>	<u>4,185,000</u>	<u>208,980</u>	<u>5,948,980</u>
Total liabilities	<u>2,872,358</u>	<u>4,653,972</u>	<u>332,739</u>	<u>7,859,069</u>
Fund Equity				
Retained earnings				
Reserved	10,219,011	7,887,538	124,684	18,231,233
Unreserved	<u>597,006</u>	<u>10,502</u>	<u>109,997</u>	<u>717,505</u>
Total fund equity	<u>10,816,017</u>	<u>7,898,040</u>	<u>234,681</u>	<u>18,948,738</u>
Total liabilities and fund equity	<u>\$ 13,688,375</u>	<u>\$ 12,552,012</u>	<u>\$ 567,420</u>	<u>\$ 26,807,807</u>

CHARTER TOWNSHIP OF GENOA
ALL TRUST AND AGENCY FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2006

	<u>Deposit Trust Fund</u>	<u>Current Tax Fund</u>	<u>Trust and Agency Fund</u>	<u>Total</u>
<u>ASSETS</u>				
ASSETS				
Cash and cash equivalents	\$ 127,450	\$ 3,470	\$ 4,680	\$ 135,600
 <u>LIABILITIES</u>				
LIABILITIES				
Deposits	\$ 123,978	\$	\$ 4,151	\$ 128,129
Due to other funds	<u>3,472</u>	<u>3,470</u>	<u>529</u>	<u>7,471</u>
Total liabilities	<u>\$ 127,450</u>	<u>\$ 3,470</u>	<u>\$ 4,680</u>	<u>\$ 135,600</u>

CHARTER TOWNSHIP OF GENOA
ALL SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2006

	Liquor Law Enforcement Fund	Road Improvement Fund
REVENUES		
Special assessments	\$	\$
Intergovernmental - state	11,701	
Developer contributions		96,179
Interest and other	<u>15</u>	<u>41,929</u>
Total revenues	<u>11,716</u>	<u>138,108</u>
EXPENDITURES		
Parks		
Public works and roads		195,778
Inspection fees	6,600	
Payroll taxes	505	
Miscellaneous	<u>4,210</u>	
Total expenditures	<u>11,315</u>	<u>195,778</u>
Excess of revenues over (under) expenditures	<u>401</u>	<u>(57,670)</u>
OTHER FINANCING SOURCES (USES)		
Transfers (out)		(154,223)
Transfers in		<u>250,000</u>
Total other financing sources (uses)		<u>95,777</u>
Net change in fund balances	401	38,107
FUND BALANCE, JULY 1, 2005	<u>979</u>	<u>1,100,559</u>
FUND BALANCE, JUNE 30, 2006	<u>\$ 1,380</u>	<u>\$ 1,138,666</u>

<u>Reimbursable Road Projects Fund</u>	<u>Future Development Parks, Paths and Recreation Fund</u>	<u>Building and Grounds Reserve Fund</u>	<u>Totals</u>
\$ 255,256	\$	\$	\$ 255,256
			11,701
			96,179
<u>3,810</u>	<u>23,771</u>	<u>353</u>	<u>69,878</u>
<u>259,066</u>	<u>23,771</u>	<u>353</u>	<u>433,014</u>
	45,059		45,059
1,295,730			1,491,508
			6,600
			505
			<u>4,210</u>
<u>1,295,730</u>	<u>45,059</u>		<u>1,547,882</u>
<u>(1,036,664)</u>	<u>(21,288)</u>	<u>353</u>	<u>(1,114,868)</u>
			(154,223)
<u>419,223</u>	<u>100,000</u>	<u>25,000</u>	<u>794,223</u>
<u>419,223</u>	<u>100,000</u>	<u>25,000</u>	<u>640,000</u>
(617,441)	78,712	25,353	(474,868)
<u>774,791</u>	<u>650,603</u>		<u>2,526,932</u>
<u>\$ 157,350</u>	<u>\$ 729,315</u>	<u>\$ 25,353</u>	<u>\$ 2,052,064</u>

CHARTER TOWNSHIP OF GENOA
ALL DEBT SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2006

	Dorr Road Water & Sewer Fund	Tri-Lakes Road Fund	Genoa-Oceola Phase I Sewer Fund	Genoa-Oceola Phase II Sewer Fund
REVENUES				
Special assessments - principal	\$ 51,350	\$ 70,983	\$ 246,155	\$ 215,423
Special assessments - interest	25,460	23,178	70,493	23,563
Interest	<u>1,899</u>	<u>1,883</u>	<u>8,553</u>	<u>18,357</u>
Total revenues	<u>78,709</u>	<u>96,044</u>	<u>325,201</u>	<u>257,343</u>
EXPENDITURES				
Bond repayment				
Principal	40,000	55,000	316,355	253,000
Interest	29,500	13,598	54,291	31,815
Miscellaneous	<u>265</u>	<u>1,148</u>	<u>641</u>	<u>699</u>
Total expenditures	<u>69,765</u>	<u>69,746</u>	<u>371,287</u>	<u>285,514</u>
Excess of revenues over (under) expenditures	8,944	26,298	(46,086)	(28,171)
FUND BALANCE, JULY 1, 2005	<u>102,505</u>	<u>47,730</u>	<u>319,284</u>	<u>619,394</u>
FUND BALANCE, JUNE 30, 2006	<u>\$ 111,449</u>	<u>\$ 74,028</u>	<u>\$ 273,198</u>	<u>\$ 591,223</u>

<u>Grand River Water Fund</u>	<u>Grand Oaks Water Fund</u>	<u>Grand River Road Fund</u>	<u>Lake Edgewood West Water Fund</u>	<u>MHOG Plant Expansion Fund</u>	<u>Genoa- Oceola Plant Expansion</u>	<u>Total</u>
\$ 172,426	\$ 37,846	\$ 68,921	\$ 212,967	\$	\$	\$ 1,076,071
49,827	20,710	55,590	157,759			426,580
<u>4,007</u>	<u>3,180</u>	<u>472</u>	<u>5,193</u>	<u>42,510</u>	<u>68,673</u>	<u>154,727</u>
<u>226,260</u>	<u>61,736</u>	<u>124,983</u>	<u>375,919</u>	<u>42,510</u>	<u>68,673</u>	<u>1,657,378</u>
100,000	25,000	80,000	170,000	80,000	65,424	1,184,779
30,926	16,448	52,705	143,777	50,430	69,285	492,775
<u>500</u>	<u>800</u>	<u>845</u>	<u>522</u>	<u>356</u>	<u>201</u>	<u>5,977</u>
<u>131,426</u>	<u>42,248</u>	<u>133,550</u>	<u>314,299</u>	<u>130,786</u>	<u>134,910</u>	<u>1,683,531</u>
94,834	19,488	(8,567)	61,620	(88,276)	(66,237)	(26,153)
<u>92,795</u>	<u>90,061</u>	<u>68,183</u>	<u>202,936</u>	<u>1,161,986</u>	<u>2,120,139</u>	<u>4,825,013</u>
<u>\$ 187,629</u>	<u>\$ 109,549</u>	<u>\$ 59,616</u>	<u>\$ 264,556</u>	<u>\$ 1,073,710</u>	<u>\$ 2,053,902</u>	<u>\$ 4,798,860</u>

CHARTER TOWNSHIP OF GENOA
ALL CAPITAL PROJECT FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2006

	Grand River Water New User Fund	Genoa-Oceola Phase I Sewer New User Fund	Genoa-Oceola Phase II Sewer New User Fund
REVENUES			
New user tap-in fees	\$ 398,438	\$ 87,155	\$ 66,807
Special assessments - principal			16,166
Special assessments - interest			15,358
Interest	<u>14,418</u>	<u>13,827</u>	<u>31,333</u>
Total revenues	<u>412,856</u>	<u>100,982</u>	<u>129,664</u>
EXPENDITURES			
Professional services	14,818	1,975	3,200
Expansion and construction	460,000		78,666
Other	<u>10,000</u>	<u>520</u>	<u>8,255</u>
Total expenditures	<u>484,818</u>	<u>2,495</u>	<u>90,121</u>
Excess of revenues over (under) under expenditures	(71,962)	98,487	39,543
FUND BALANCE, JULY 1, 2005	<u>1,149,449</u>	<u>1,674,689</u>	<u>1,731,529</u>
FUND BALANCE, JUNE 30, 2006	<u><u>\$ 1,077,487</u></u>	<u><u>\$ 1,773,176</u></u>	<u><u>\$ 1,771,072</u></u>

Lake Edgewood West Water Construction Fund	Totals
\$	\$ 552,400
	16,166
	15,358
<u>54</u>	<u>59,632</u>
<u>54</u>	<u>643,556</u>
1,000	20,993
	538,666
<u>1,000</u>	<u>18,775</u>
<u>1,000</u>	<u>578,434</u>
(946)	65,122
<u>8,560</u>	<u>4,564,227</u>
<u>\$ 7,614</u>	<u>\$ 4,629,349</u>

CHARTER TOWNSHIP OF GENOA
ALL ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN RETAINED EARNINGS
FOR THE YEAR ENDED JUNE 30, 2006

	Oak Pointe Water and Sewer Systems Fund	Lake Edgewood Water and Sewer Systems Fund
OPERATING REVENUES		
User charges	\$ 757,412	\$ 333,429
OPERATING EXPENSES		
Water and sewer usage		75,910
Repairs, maintenance and supplies	197,118	90,544
Contracted labor	263,076	118,904
Out of scope - contract labor	775	366
Utilities and telephone	104,988	50,262
Administration	46,266	17,824
Professional fees	25,524	7,700
Groundwater exceedence	47,802	54,173
Insurance	14,643	6,361
Depreciation	304,787	151,322
Meter reading	19,792	3,333
Sludge disposal	32,496	13,982
Total operating expenses	1,057,267	590,681
Operating income (loss)	(299,855)	(257,252)
NON-OPERATING REVENUES AND (EXPENSES)		
Connection fees		862,761
Interest income - special assessments	101,719	281,733
Interest income - reserved accounts	43,516	
Interest income - general	2,958	1,817
Interest expense - bonds	(65,224)	(282,524)
Other revenue (expense), net	(1,310)	87
Total non-operating revenues and (expenses)	81,659	863,874
Net income (loss)	(218,196)	606,622
RETAINED EARNINGS, JULY 1, 2005	11,034,213	7,498,918
PRIOR PERIOD ADJUSTMENT		(207,500)
RETAINED EARNINGS, JUNE 30, 2006	\$ 10,816,017	\$ 7,898,040

Pine Creek Water and Sewer Systems Fund	Totals
<u>\$ 251,213</u>	<u>\$ 1,342,054</u>
233,880	309,790
633	288,295
	381,980
	1,141
	155,250
12,521	76,611
1,600	34,824
	101,975
	21,004
	456,109
7,145	30,270
	<u>46,478</u>
<u>255,779</u>	<u>1,903,727</u>
<u>(4,566)</u>	<u>(561,673)</u>
	862,761
5,396	388,848
	43,516
2,115	6,890
	(347,748)
<u>2,440</u>	<u>1,217</u>
<u>9,951</u>	<u>955,484</u>
5,385	393,811
229,296	18,762,427
	<u>(207,500)</u>
<u>\$ 234,681</u>	<u>\$ 18,948,738</u>

CHARTER TOWNSHIP OF GENOA
ALL ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2006

	Oak Pointe Water and Sewer Systems Fund	Lake Edgewood Water and Sewer Systems Fund
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Receipts from customers	\$ 737,557	\$ 336,455
Payments to vendors	<u>(766,336)</u>	<u>(444,150)</u>
Net cash from (used in) from operating activities	<u>(28,779)</u>	<u>(107,695)</u>
CASH FLOWS FROM (USED IN) CAPITAL AND RELATED FINANCING ACTIVITIES		
Connection fees		862,761
Repayment of principal on bonds	(295,000)	(425,000)
Special assessments collections	292,310	50,319
Collections City of Brighton - contract receivable		17,200
Payment on City of Brighton - contract payable		
Interest received from special assessments and reserved accounts	145,235	281,733
Interest paid on bonds	(65,224)	(282,524)
Other income		87
Net loans with other funds		(109,633)
Additions to systems		<u>(208,973)</u>
Net cash from (used in) capital and related financing activities	<u>77,321</u>	<u>185,970</u>
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES		
Interest received from operations	2,958	1,817
Other revenue/expense (net)	(1,310)	
Additions to systems	(960,517)	
Investments in Brownsfield Authority	(27,255)	
Loans to other funds	(1,316)	
Loans from other funds	<u>223,581</u>	
Net cash from (used in) investing activities	<u>(763,859)</u>	<u>1,817</u>
Net increase (decrease) in cash and cash equivalents	(715,317)	80,092
CASH AND CASH EQUIVALENTS AT JULY 1, 2005	<u>2,313,700</u>	<u>1,845,473</u>
CASH AND CASH EQUIVALENTS AT JUNE 30, 2006	<u><u>\$ 1,598,383</u></u>	<u><u>\$ 1,925,565</u></u>

Pine Creek Water and Sewer Systems		
<u>Fund</u>		<u>Totals</u>
\$ 228,877		\$ 1,302,889
<u>(259,170)</u>		<u>(1,469,656)</u>
<u>(30,293)</u>		<u>(166,767)</u>
	862,761	
	(720,000)	
63,551	406,180	
	17,200	
(69,660)	(69,660)	
5,396	432,364	
	(347,748)	
2,440	2,527	
(4,766)	(114,399)	
<u> </u>	<u>(208,973)</u>	
<u>(3,039)</u>	<u>260,252</u>	
2,115	6,890	
	(1,310)	
	(960,517)	
	(27,255)	
	(1,316)	
<u> </u>	<u>223,581</u>	
<u>2,115</u>	<u>(759,927)</u>	
(31,217)	(666,442)	
<u>351,308</u>	<u>4,510,481</u>	
<u>\$ 320,091</u>	<u>\$ 3,844,039</u>	

INDIVIDUAL
FUNDS

GENERAL
FUND

CHARTER TOWNSHIP OF GENOA
GENERAL FUND
BALANCE SHEET
JUNE 30, 2006

ASSETS

ASSETS

Cash and cash equivalents	\$ 1,307,156	
State shared revenue receivable	356,053	
Accounts receivable - rent	17,176	
Due from other funds	102,804	
Due from area utilities	133,069	
Prepaid expenditures	<u>11,592</u>	
Total assets		<u>\$ 1,927,850</u>

LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts payable	\$ 40,501	
Accrued payroll and compensated absences	52,165	
Due to area utilities	20,674	
Due to other funds	30,175	
Deferred revenue	<u>377,901</u>	
Total liabilities		\$ 521,416

FUND BALANCE		<u>1,406,434</u>
--------------	--	------------------

Total liabilities and fund balance		<u>\$ 1,927,850</u>
------------------------------------	--	---------------------

CHARTER TOWNSHIP OF GENOA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2006

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES	\$ 3,756,935	\$ 3,793,829	\$ 36,894
EXPENDITURES	<u>3,192,437</u>	<u>3,078,346</u>	<u>114,091</u>
Excess of revenues over (under) expenditures	564,498	715,483	150,985
OTHER FINANCING SOURCES (USES)			
Transfers (out)	<u>(640,000)</u>	<u>(640,000)</u>	<u> </u>
Net changes in fund balance	(75,502)	75,483	150,985
FUND BALANCE, JULY 1, 2005	<u>1,330,951</u>	<u>1,330,951</u>	<u> </u>
FUND BALANCE, JUNE 30, 2006	<u>\$ 1,255,449</u>	<u>\$ 1,406,434</u>	<u>\$ 150,985</u>

CHARTER TOWNSHIP OF GENOA
GENERAL FUND
STATEMENT OF REVENUES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2006

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Taxes	\$ 857,000	\$ 851,336	\$ (5,664)
Penalties and interest on taxes	2,500	3,707	1,207
Tax collection fees	326,122	336,597	10,475
Licenses and permits	21,000	26,066	5,066
Cable franchise fees	230,000	199,806	(30,194)
Trailer fees	3,000	3,544	544
State shared revenues	1,100,000	1,091,183	(8,817)
Application fees	75,000	82,126	7,126
Refuse collection fees	562,000	563,645	1,645
Printing fees	2,000	1,997	(3)
Ordinance fines	2,500	1,838	(662)
Utility administration fees	310,000	357,353	47,353
Liquor law administration fees	3,500	3,500	
Land transfer - taxes	127,615	127,615	
Metro Act	13,500	12,226	(1,274)
Street lights	698	698	
Rent	62,000	68,176	6,176
Interest	35,000	58,946	23,946
Miscellaneous	<u>23,500</u>	<u>3,470</u>	<u>(20,030)</u>
Total revenues	<u>\$ 3,756,935</u>	<u>\$ 3,793,829</u>	<u>\$ 36,894</u>

CHARTER TOWNSHIP OF GENOA
GENERAL FUND
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2006

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
EXPENDITURES			
Salaries - trustees	\$ 21,000	\$ 20,469	\$ 531
Salary - supervisor	46,500	46,500	
Salary - manager	87,500	83,778	3,722
Salaries - elections	15,000	11,684	3,316
Salaries - contruactual	227,000	223,392	3,608
Professional services - legal	125,000	137,666	(12,666)
Salary - clerk	45,500	45,500	
Professional services - auditor	15,500	13,925	1,575
Professional services - engineers	66,000	69,407	(3,407)
Tax roll preparation - Livingston County	7,237	7,237	
Salaries - board of review	2,000	1,920	80
Refunds and charge backs	6,000	3,174	2,826
Salary - treasurer	45,500	45,500	
Repairs and maintenance - equipment	40,000	35,491	4,509
Insurance	185,000	157,977	27,023
Public utilities	18,000	16,822	1,178
Salaries - other	207,000	199,504	7,496
Retirement - pensions	75,000	79,223	(4,223)
Office supplies	60,000	68,230	(8,230)
Telephone	14,000	11,496	2,504
Travel	3,000	1,225	1,775
Auto lease and allowance	9,000	8,699	301
Escrow loss	2,000	300	1,700
Dues	20,000	17,554	2,446
Regional meeting fees	30,000	28,485	1,515
Application fees	99,000	109,873	(10,873)
Salary - ordinance enforcement	40,000	36,379	3,621
Road improvements	150,000	113,546	36,454
Landscape and site work	6,000	1,615	4,385
Refuse	767,500	763,236	4,264
Dust control	110,000	72,708	37,292
Storm water mandate	15,000	2,838	12,162
White Pines street lighting	700	609	91
Fire substation	15,000	12,518	2,482
Public works – (utilities)	239,000	238,955	45
Bad debts		24,354	(24,354)
Debt retirement - principal and interest	122,000	121,592	408
Parks and recreation	95,000	86,596	8,404
Drain advances	31,000	30,309	691
Capital outlay	70,000	69,526	474
Payroll taxes	59,500	58,534	966
	<u>\$ 3,192,437</u>	<u>\$ 3,078,346</u>	<u>\$ 114,091</u>
Total expenditures	<u>\$ 3,192,437</u>	<u>\$ 3,078,346</u>	<u>\$ 114,091</u>

LIQUOR LAW ENFORCEMENT
FUND

CHARTER TOWNSHIP OF GENOA
LIQUOR LAW ENFORCEMENT FUND
BALANCE SHEET
JUNE 30, 2006

ASSETS

ASSETS

Cash and cash equivalents

\$ 1,380

FUND BALANCE

FUND BALANCE

\$ 1,380

CHARTER TOWNSHIP OF GENOA
LIQUOR LAW ENFORCEMENT FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2006

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Liquor license fees	\$	\$ 11,701	\$
Interest		15	
Total revenues	<u>12,065</u>	<u>11,716</u>	<u>(349)</u>
EXPENDITURES			
Inspection fees		6,600	
Payroll taxes		505	
Administration		3,500	
Retirement		660	
Miscellaneous		50	
Total expenditures	<u>11,320</u>	<u>11,315</u>	<u>5</u>
Excess of revenues over (under) expenditures	745	401	(344)
FUND BALANCE, JULY 1, 2005	<u>979</u>	<u>979</u>	
FUND BALANCE, JUNE 30, 2006	<u>\$ 1,724</u>	<u>\$ 1,380</u>	<u>\$ (344)</u>

ROAD IMPROVEMENT
FUND

CHARTER TOWNSHIP OF GENOA
ROAD IMPROVEMENT FUND
BALANCE SHEET
JUNE 30, 2006

ASSETS

ASSETS

Cash and cash equivalents
Prepaid expenditures

\$ 1,141,166
115,000

Total assets

\$ 1,256,166

LIABILITIES AND FUND BALANCE

LIABILITIES

Due to other funds
Deferred revenues

\$ 2,500
115,000

Total liabilities

\$ 117,500

FUND BALANCE

1,138,666

Total liabilities and fund balance

\$ 1,256,166

CHARTER TOWNSHIP OF GENOA
ROAD IMPROVEMENT FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2006

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Contributions from developers	\$	\$ 96,179	\$
Interest		<u>41,929</u>	
Total revenues	<u>130,679</u>	<u>138,108</u>	<u>7,429</u>
EXPENDITURES			
Project costs		80,778	
Land		<u>115,000</u>	
Total expenditures	<u>140,300</u>	<u>195,778</u>	<u>(55,478)</u>
Excess of revenues over (under) expenditures	(9,621)	(57,670)	(48,049)
OTHER FINANCING SOURCES (USES)			
Transfers in	250,000	250,000	
Transfers (out)	<u>(154,223)</u>	<u>(154,223)</u>	
Total other financing sources (uses)	<u>95,777</u>	<u>95,777</u>	
Net changes in fund balance	86,156	38,107	(48,049)
FUND BALANCE, JULY 1, 2005	<u>1,100,559</u>	<u>1,100,559</u>	
FUND BALANCE, JUNE 30, 2006	<u>\$1,186,715</u>	<u>\$1,138,666</u>	<u>\$ (48,049)</u>

REIMBURSABLE
ROAD PROJECTS
FUND

CHARTER TOWNSHIP OF GENOA
REIMBURSABLE ROAD PROJECTS FUND
BALANCE SHEET
JUNE 30, 2006

ASSETS

ASSETS

Cash and cash equivalents	\$ 212,919
Special assessments receivable	<u>557,822</u>

Total assets		\$ <u>770,741</u>
--------------	--	-------------------

LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts payable	\$ 55,569
Deferred revenues	<u>557,822</u>

Total liabilities		\$ 613,391
-------------------	--	------------

FUND BALANCE

		<u>157,350</u>
--	--	----------------

Total liabilities and fund balance		\$ <u>770,741</u>
------------------------------------	--	-------------------

CHARTER TOWNSHIP OF GENOA
REIMBURSABLE ROAD PROJECTS FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2006

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Special assessments	\$	\$ 255,256	\$
Interest		<u>3,810</u>	
Total revenues	<u>253,932</u>	<u>259,066</u>	<u>5,134</u>
EXPENDITURES			
Road and lake projects			
Lake Chemung weed	28,000	53,301	(25,301)
Prairie View Road	641,588	641,588	
Utility Pines Road	308,292	308,292	
Rolling Meadows Road	135,000	123,134	11,866
Long Pointe Drive	22,907	22,907	
Chemung/James/Norf	115,084	115,084	
State street	20,000	18,900	1,100
Other	300		300
Pardee lake	<u>10,000</u>	<u>12,524</u>	<u>(2,524)</u>
Total expenditures	<u>1,281,171</u>	<u>1,295,730</u>	<u>(14,559)</u>
Excess of revenues over (under) expenditures	(1,027,239)	(1,036,664)	(9,425)
OTHER FINANCING SOURCES			
Transfers in	<u>419,223</u>	<u>419,223</u>	
Net change in fund balance	(608,016)	(617,441)	(9,425)
FUND BALANCE, JULY 1, 2005	<u>774,791</u>	<u>774,791</u>	
FUND BALANCE, JUNE 30, 2006	<u>\$ 166,775</u>	<u>\$ 157,350</u>	<u>\$ (9,425)</u>

FUTURE DEVELOPMENT - PARKS
PATHS AND RECREATION FUND

CHARTER TOWNSHIP OF GENOA
FUTURE DEVELOPMENT - PARKS, PATHS AND RECREATION FUND
BALANCE SHEET
JUNE 30, 2006

ASSETS

ASSETS

Cash and cash equivalents

\$ 729,315

FUND BALANCE

FUND BALANCE

\$ 729,315

CHARTER TOWNSHIP OF GENOA
FUTURE DEVELOPMENT - PARKS, PATHS AND RECREATION FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2006

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Interest	\$	\$ 22,671	\$
Miscellaneous		<u>1,100</u>	
Total revenues	17,100	23,771	6,671
EXPENDITURES			
Bike path project costs	<u>30,028</u>	<u>45,059</u>	<u>(15,031)</u>
Excess of revenues over (under) expenditures	(12,928)	(21,288)	(8,360)
OTHER FINANCING SOURCES			
Transfers in	<u>100,000</u>	<u>100,000</u>	
Net changes in fund balance	87,072	78,712	(8,360)
FUND BALANCE, JULY 1, 2005	<u>650,603</u>	<u>650,603</u>	
FUND BALANCE, JUNE 30, 2006	<u><u>\$ 737,675</u></u>	<u><u>\$ 729,315</u></u>	<u><u>\$ (8,360)</u></u>

BUILDING AND GROUNDS
RESERVE
FUND

CHARTER TOWNSHIP OF GENOA
BUILDING AND GROUNDS RESERVE FUNDS
BALANCE SHEET
JUNE 30, 2006

ASSETS

ASSETS

Cash and cash equivalents

\$ 25,353

FUND BALANCE

FUND BALANCE

\$ 25,353

CHARTER TOWNSHIP OF GENOA
BUILDINGS AND GROUNDS RESERVE FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2006

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Interest	\$ 100	\$ 353	\$ 253
OTHER FINANCING SOURCES			
Transfers in	<u>25,000</u>	<u>25,000</u>	<u></u>
Net change in fund balance	25,100	25,353	253
FUND BALANCE, JULY 1, 2005	<u></u>	<u></u>	<u></u>
FUND BALANCE, JUNE 30, 2006	<u>\$ 25,100</u>	<u>\$ 25,353</u>	<u>\$ 253</u>

DORR ROAD
WATER AND SEWER
DEBT SERVICE
FUND

CHARTER TOWNSHIP OF GENOA
DORR ROAD WATER AND SEWER DEBT SERVICE FUND
BALANCE SHEET
JUNE 30, 2006

ASSETS

ASSETS

Cash and cash equivalents
Special assessments receivable

\$ 111,449
380,250

Total assets

\$ 491,699

LIABILITIES AND FUND BALANCE

LIABILITIES

Deferred revenue

\$ 380,250

FUND BALANCE

111,449

Total liabilities and fund balance

\$ 491,699

CHARTER TOWNSHIP OF GENOA
DORR ROAD WATER AND SEWER DEBT SERVICE FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2006

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Special assessments - Principal	\$	\$ 51,350	\$
Special assessments - Interest		25,460	
Interest		<u>1,899</u>	
Total revenues	<u>53,165</u>	<u>78,709</u>	<u>25,544</u>
EXPENDITURES			
Bond repayments			
Principal		40,000	
Interest		29,500	
Miscellaneous		<u>265</u>	
Total expenditures	<u>69,750</u>	<u>69,765</u>	<u>(15)</u>
Excess of revenues over (under) expenditures	(16,585)	8,944	25,529
FUND BALANCE, JULY 1, 2005	<u>102,505</u>	<u>102,505</u>	
FUND BALANCE, JUNE 30, 2006	<u>\$ 85,920</u>	<u>\$ 111,449</u>	<u>\$ 25,529</u>

TRI-LAKES ROAD DEBT
SERVICE FUND

CHARTER TOWNSHIP OF GENOA
TRI-LAKES ROAD DEBT SERVICE FUND
BALANCE SHEET
JUNE 30, 2006

ASSETS

ASSETS

Cash and cash equivalents	\$ 74,028
Special assessments receivable	<u>426,309</u>

Total assets		<u>\$ 500,337</u>
--------------	--	-------------------

LIABILITIES AND FUND BALANCE

LIABILITIES

Deferred revenue	\$ 426,309
------------------	------------

FUND BALANCE

	<u>74,028</u>
--	---------------

Total liabilities and fund balance		<u>\$ 500,337</u>
------------------------------------	--	-------------------

CHARTER TOWNSHIP OF GENOA
 TRI-LAKES ROAD DEBT SERVICE FUND
 STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2006

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Special assessments - principal	\$	\$ 70,983	\$
Special assessments - interest		23,178	
Interest - investments		<u>1,883</u>	
Total revenues	<u>85,813</u>	<u>96,044</u>	<u>10,231</u>
EXPENDITURES			
Bond repayments			
Principal		55,000	
Interest		13,598	
Miscellaneous		<u>1,148</u>	
Total expenditures	<u>69,098</u>	<u>69,746</u>	<u>(648)</u>
Excess of revenues over (under) expenditures	16,715	26,298	9,583
FUND BALANCE, JULY 1, 2005	<u>47,730</u>	<u>47,730</u>	
FUND BALANCE, JUNE 30, 2006	<u>\$ 64,445</u>	<u>\$ 74,028</u>	<u>\$ 9,583</u>

GENOA-OCEOLA PHASE I
SEWER DEBT SERVICE FUND

CHARTER TOWNSHIP OF GENOA
GENOA - OCEOLA PHASE I SEWER DEBT SERVICE FUND
BALANCE SHEET
JUNE 30, 2006

ASSETS

ASSETS

Cash and cash equivalents	\$ 273,398
Special assessments receivable	<u>637,139</u>

Total assets		\$ <u>910,537</u>
--------------	--	-------------------

LIABILITIES AND FUND BALANCE

LIABILITIES

Due to others	\$ 200
Deferred revenue	<u>637,139</u>

Total liabilities		\$ 637,339
-------------------	--	------------

FUND BALANCE

		<u>273,198</u>
--	--	----------------

Total liabilities and fund balance		\$ <u>910,537</u>
------------------------------------	--	-------------------

CHARTER TOWNSHIP OF GENOA
 GENOA - OCEOLA PHASE I SEWER DEBT SERVICE FUND
 STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2006

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Special assessments - principal	\$	\$ 246,155	\$
Special assessments - interest		70,493	
Interest - investments		<u>8,553</u>	
Total revenues	<u>283,984</u>	<u>325,201</u>	<u>41,217</u>
EXPENDITURES			
Bond repayments			
Principal		316,355	
Interest		54,291	
Miscellaneous		<u>641</u>	
Total expenditures	<u>371,087</u>	<u>371,287</u>	<u>(200)</u>
Excess of revenues over (under) expenditures	(87,103)	(46,086)	41,017
FUND BALANCE, JULY 1, 2005	<u>319,284</u>	<u>319,284</u>	
FUND BALANCE, JUNE 30, 2006	<u><u>\$ 232,181</u></u>	<u><u>\$ 273,198</u></u>	<u><u>\$ 41,017</u></u>

GENOA-OCEOLA PHASE II
SEWER DEBT SERVICE FUND

CHARTER TOWNSHIP OF GENOA
GENOA - OCEOLA PHASE II SEWER DEBT SERVICE FUND
BALANCE SHEET
JUNE 30, 2006

<u>ASSETS</u>		
ASSETS		
Cash and cash equivalents	\$ 591,223	
Special assessments receivable	<u>960,143</u>	
Total assets		<u>\$ 1,551,366</u>
 <u>LIABILITIES AND FUND BALANCE</u>		
LIABILITIES		
Deferred revenue	\$ 960,143	
FUND BALANCE	<u>591,223</u>	
Total liabilities and fund balance		<u>\$ 1,551,366</u>

CHARTER TOWNSHIP OF GENOA
GENOA - OCEOLA PHASE II SEWER DEBT SERVICE FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2006

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Special assessments - principal	\$	\$ 215,423	\$
Special assessments - interest		23,563	
Interest - investments		<u>18,357</u>	
Total revenues	<u>225,359</u>	<u>257,343</u>	<u>31,984</u>
EXPENDITURES			
Bond repayments			
Principal		253,000	
Interest		31,815	
Miscellaneous		<u>699</u>	
Total expenditures	<u>281,106</u>	<u>285,514</u>	<u>(4,408)</u>
Excess of revenues over (under) expenditures	(55,747)	(28,171)	27,576
FUND BALANCE, JULY 1, 2005	<u>619,394</u>	<u>619,394</u>	
FUND BALANCE, JUNE 30, 2006	<u>\$ 563,647</u>	<u>\$ 591,223</u>	<u>\$ 27,576</u>

GRAND RIVER WATER
DEBT SERVICE FUND

CHARTER TOWNSHIP OF GENOA
GRAND RIVER WATER DEBT SERVICE FUND
BALANCE SHEET
JUNE 30, 2006

<u>ASSETS</u>		
ASSETS		
Cash and cash equivalents	\$ 187,629	
Special assessments receivable	<u>846,999</u>	
Totals assets		<u>\$ 1,034,628</u>
 <u>LIABILITIES AND FUND BALANCE</u>		
LIABILITIES		
Deferred revenue	\$ 846,999	
FUND BALANCE	<u>187,629</u>	
Total liabilities and fund balance		<u>\$ 1,034,628</u>

CHARTER TOWNSHIP OF GENOA
 GRAND RIVER WATER DEBT SERVICE FUND
 STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2006

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Special assessments - principal	\$	\$ 172,426	\$
Special assessments - interest		49,827	
Interest - investments		<u>4,007</u>	
Total revenues	<u>158,978</u>	<u>226,260</u>	<u>67,282</u>
EXPENDITURES			
Bond repayments			
Principal		100,000	
Interest		30,926	
Miscellaneous		<u>500</u>	
Total expenditures	<u>131,326</u>	<u>131,426</u>	<u>(100)</u>
Excess of revenues over (under) expenditures	27,652	94,834	67,182
FUND BALANCE, JULY 1, 2005	<u>92,795</u>	<u>92,795</u>	
FUND BALANCE, JUNE 30, 2006	<u>\$ 120,447</u>	<u>\$ 187,629</u>	<u>\$ 67,182</u>

GRAND OAKS WATER
DEBT SERVICE
FUND

CHARTER TOWNSHIP OF GENOA
GRAND OAKS WATER DEBT SERVICE FUND
BALANCE SHEET
JUNE 30, 2006

ASSETS

ASSETS

Cash and cash equivalents
Special assessments receivable

\$ 109,549
314,552

Total assets

\$ 424,101

LIABILITIES AND FUND BALANCE

LIABILITIES

Deferred revenue

\$ 314,552

FUND BALANCE

109,549

Total liabilities and fund balance

\$ 424,101

CHARTER TOWNSHIP OF GENOA
 GRAND OAKS WATER DEBT SERVICE FUND
 STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2006

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Special assessments - principal	\$	\$ 37,846	\$
Special assessments - interest		20,710	
Interest - investments	<u> </u>	<u>3,180</u>	<u> </u>
Total revenues	<u>46,775</u>	<u>61,736</u>	<u>14,961</u>
EXPENDITURES			
Bond repayments			
Principal		25,000	
Interest		16,448	
Professional services	<u> </u>	<u>800</u>	<u> </u>
Total expenditures	<u>41,848</u>	<u>42,248</u>	<u>(400)</u>
Excess of revenues over expenditures	4,927	19,488	14,561
FUND BALANCE, JULY 1, 2005	<u>90,061</u>	<u>90,061</u>	<u> </u>
FUND BALANCE, JUNE 30, 2006	<u>\$ 94,988</u>	<u>\$ 109,549</u>	<u>\$ 14,561</u>

GRAND RIVER ROAD
DEBT SERVICE
FUND

CHARTER TOWNSHIP OF GENOA
GRAND RIVER ROAD DEBT SERVICE FUND
BALANCE SHEET
JUNE 30, 2006

ASSETS

ASSETS

Cash and cash equivalents
Special assessments receivable

\$ 59,757
839,359

Total assets

\$ 899,116

LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts payable
Deferred revenue

\$ 141
839,359

Total liabilities

\$ 839,500

FUND BALANCE

59,616

Total liabilities and fund balance

\$ 899,116

CHARTER TOWNSHIP OF GENOA
 GRAND RIVER ROAD DEBT SERVICE FUND
 STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2006

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Special assessments - principal	\$	\$ 68,921	\$
Special assessments - interest		55,590	
Interest - investments		<u>472</u>	
Total revenues	<u>120,964</u>	<u>124,983</u>	<u>4,019</u>
EXPENDITURES			
Bond repayments			
Principal		80,000	
Interest		52,705	
Agent fees		<u>845</u>	
Total expenditures	<u>133,405</u>	<u>133,550</u>	<u>(145)</u>
Excess of revenues over (under) expenditures	(12,441)	(8,567)	3,874
FUND BALANCE, JULY 1, 2005	<u>68,183</u>	<u>68,183</u>	
FUND BALANCE, JUNE 30, 2006	<u><u>\$ 55,742</u></u>	<u><u>\$ 59,616</u></u>	<u><u>\$ 3,874</u></u>

LAKE EDGEWOOD
WEST WATER
DEBT SERVICE
FUND

CHARTER TOWNSHIP OF GENOA
LAKE EDGEWOOD - WEST WATER DEBT SERVICE FUND
BALANCE SHEET
JUNE 30, 2006

ASSETS

ASSETS

Cash and cash equivalents	\$ 264,919
Special assessments receivable	<u>2,103,784</u>

Total assets		<u>\$ 2,368,703</u>
--------------	--	---------------------

LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts payable	\$ 363
Deferred revenues	<u>2,103,784</u>

Total liabilities		\$ 2,104,147
-------------------	--	--------------

FUND BALANCE

		<u>264,556</u>
--	--	----------------

Total liabilities and fund balance		<u>\$ 2,368,703</u>
------------------------------------	--	---------------------

CHARTER TOWNSHIP OF GENOA
LAKE EDGEWOOD - WEST WATER DEBT SERVICE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2006

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Special assessments - principal	\$	\$ 212,967	\$
Special assessments - interest		157,759	
Interest - investments		<u>5,193</u>	
Total revenues	<u>312,331</u>	<u>375,919</u>	<u>63,588</u>
EXPENDITURES			
Bond repayments			
Principal		170,000	
Interest		143,777	
Professional fees		<u>522</u>	
Total expenditures	<u>313,978</u>	<u>314,299</u>	<u>(321)</u>
Excess of revenues over (under) expenditures	(1,647)	61,620	63,267
FUND BALANCE, JULY 1, 2005	<u>202,936</u>	<u>202,936</u>	
FUND BALANCE, JUNE 30, 2006	<u><u>\$ 201,289</u></u>	<u><u>\$ 264,556</u></u>	<u><u>\$ 63,267</u></u>

MARION HOWELL OCEOLA GENOA
PLANT EXPANSION
DEBT SERVICE
FUND

CHARTER TOWNSHIP OF GENOA
MARION HOWELL OCEOLA GENOA PLANT EXPANSION
DEBT SERVICE FUND
BALANCE SHEET
JUNE 30, 2006

ASSETS

ASSETS

Cash and cash equivalents

\$ 1,073,710

FUND BALANCE

FUND BALANCE

\$ 1,073,710

CHARTER TOWNSHIP OF GENOA
MARION HOWELL OCEOLA GENOA PLANT EXPANSION DEBT SERVICE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2006

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Interest - income	\$ 15,000	\$ 42,510	\$ 27,510
EXPENDITURES			
Bond repayments			
Principal		80,000	
Interest		50,430	
Miscellaneous		156	
Professional fees		200	
	<u>130,787</u>	<u>130,786</u>	<u>1</u>
Total expenditures			
	<u>130,787</u>	<u>130,786</u>	<u>1</u>
Excess of revenues over (under) expenditures	(115,787)	(88,276)	27,511
FUND BALANCE, JULY 1, 2005	<u>1,161,986</u>	<u>1,161,986</u>	
FUND BALANCE, JUNE 30, 2006	<u>\$ 1,046,199</u>	<u>\$ 1,073,710</u>	<u>\$ 27,511</u>

GENOA - OCEOLA
PLANT EXPANSION
DEBT SERVICE FUND

CHARTER TOWNSHIP OF GENOA
GENOA-OCEOLA PLANT EXPANSION DEBT SERVICE FUND
BALANCE SHEET
JUNE 30, 2006

ASSETS

ASSETS

Cash and cash equivalents
Due from other funds

\$ 1,943,902
110,000

Total assets

\$ 2,053,902

FUND BALANCE

FUND BALANCE

\$ 2,053,902

CHARTER TOWNSHIP OF GENOA
GENOA-OCEOLA PLANT EXPANSION DEBT SERVICE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2006

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Interest	<u>\$ 39,700</u>	<u>\$ 68,673</u>	<u>\$ 28,973</u>
EXPENDITURES			
Debt service			
Principal		65,424	
Interest		69,285	
Miscellaneous		<u>201</u>	
Total expenditures	<u>132,914</u>	<u>134,910</u>	<u>(1,996)</u>
Excess of revenues over (under) expenditures	(93,214)	(66,237)	26,997
FUND BALANCE, JULY 1, 2005	<u>2,120,139</u>	<u>2,120,139</u>	
FUND BALANCE, JUNE 30, 2006	<u>\$ 2,026,925</u>	<u>\$ 2,053,902</u>	<u>\$ 26,977</u>

GRAND RIVER WATER
NEW USER CAPITAL
PROJECT FUND

CHARTER TOWNSHIP OF GENOA
GRAND RIVER WATER NEW USER CAPITAL
PROJECT FUND
BALANCE SHEET
JUNE 30, 2006

ASSETS

ASSETS

Cash and cash equivalents

\$ 1,077,487

FUND BALANCE

FUND BALANCE

\$ 1,077,487

CHARTER TOWNSHIP OF GENOA
 GRAND RIVER WATER NEW USER CAPITAL
 PROJECT FUND
 STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE
 FOR THE YEAR ENDED JUNE 30, 2006

REVENUES

New user tap - in fees	\$	398,438
Interest income		<u>14,418</u>

Total revenues		\$ 412,856
----------------	--	------------

EXPENDITURES

Expansion costs		460,000
Professional services		14,818
Refunds and chargebacks		<u>10,000</u>

Total expenditures		<u>484,818</u>
--------------------	--	----------------

Excess of revenues over (under) expenditures		(71,962)
--	--	----------

FUND BALANCE, JULY 1, 2005		<u>1,149,449</u>
----------------------------	--	------------------

FUND BALANCE, JUNE 30, 2006		<u><u>\$ 1,077,487</u></u>
-----------------------------	--	----------------------------

GENOA-OCEOLA PHASE I SEWER
NEW USER CAPITAL
PROJECT FUND

CHARTER TOWNSHIP OF GENOA
GENOA - OCEOLA PHASE I SEWER NEW USER CAPITAL
PROJECT FUND
BALANCE SHEET
JUNE 30, 2006

ASSETS

ASSETS

Cash and cash equivalents
Due from other funds

\$ 1,053,176
720,000

Total assets

\$ 1,773,176

FUND BALANCE

FUND BALANCE

\$ 1,773,176

CHARTER TOWNSHIP OF GENOA
GENOA - OCEOLA PHASE I SEWER NEW USER CAPITAL
PROJECT FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2006

REVENUES

New user tap - in fees	\$ 87,155
Interest income	<u>13,827</u>

Total revenues		\$ 100,982
----------------	--	------------

EXPENDITURES

Professional services	1,975
Miscellaneous	<u>520</u>

Total expenditures		<u>2,495</u>
--------------------	--	--------------

Excess of revenues over (under) expenditures		98,487
--	--	--------

FUND BALANCE, JULY 1, 2005		<u>1,674,689</u>
----------------------------	--	------------------

FUND BALANCE, JUNE 30, 2006		<u><u>\$ 1,773,176</u></u>
-----------------------------	--	----------------------------

GENOA-OCEOLA PHASE II
SEWER NEW USER CAPITAL
PROJECT FUND

CHARTER TOWNSHIP OF GENOA
GENOA - OCEOLA PHASE II SEWER NEW USER CAPITAL
PROJECT FUND
BALANCE SHEET
JUNE 30, 2006

ASSETS

ASSETS

Cash and cash equivalents	\$ 1,584,738
Special assessments receivable	290,984
Due from utility authority	<u>250,000</u>

Total assets		<u>\$ 2,125,722</u>
--------------	--	---------------------

LIABILITIES AND FUND BALANCE

LIABILITIES

Deferred revenues	\$ 290,984
Due to other funds	<u>63,666</u>

Total liabilities		\$ 354,650
-------------------	--	------------

FUND BALANCE

1,771,072

Total liabilities and fund balance		<u>\$ 2,125,722</u>
------------------------------------	--	---------------------

CHARTER TOWNSHIP OF GENOA
 GENOA - OCEOLA PHASE II SEWER NEW USER CAPITAL
 PROJECT FUND
 STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE
 FOR THE YEAR ENDED JUNE 30, 2006

REVENUES

New user tap - in fees	\$ 66,807
Special assessments - principal	16,166
Special assessments - interest	15,358
Interest - investments	<u>31,333</u>

Total revenues		\$ 129,664
----------------	--	------------

EXPENDITURES

Expansion costs	63,666
Professional services	3,200
Refunds and chargebacks	8,255
Member contributions	<u>15,000</u>

Total expenditures		<u>90,121</u>
--------------------	--	---------------

Excess of revenues over (under) expenditures		39,543
--	--	--------

FUND BALANCE, JULY 1, 2005		<u>1,731,529</u>
----------------------------	--	------------------

FUND BALANCE, JUNE 30, 2006		<u><u>\$ 1,771,072</u></u>
-----------------------------	--	----------------------------

LAKE EDGEWOOD -
WEST WATER
CONSTRUCTION CAPITAL PROJECT
FUND

CHARTER TOWNSHIP OF GENOA
LAKE EDGEWOOD - WEST WATER CONSTRUCTION CAPITAL PROJECT FUND
BALANCE SHEET
JUNE 30, 2006

ASSETS

ASSETS

Cash and cash equivalents

\$ 7,614

FUND BALANCE

FUND BALANCE

\$ 7,614

CHARTER TOWNSHIP OF GENOA
LAKE EDGEWOOD - WEST WATER CONSTRUCTION CAPITAL PROJECT FUND
STATEMENT OF REVENUES EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2006

REVENUES	
Interest income	\$ 54
EXPENDITURES	
Professional services	<u>1,000</u>
Excess of revenues over (under) expenditures	(946)
FUND BALANCE, JULY 1, 2005	<u>8,560</u>
FUND BALANCE, JUNE 30, 2006	<u><u>\$ 7,614</u></u>

OAK POINTE
WATER AND SEWER SYSTEMS
FUND

CHARTER TOWNSHIP OF GENOA
OAK POINTE - WATER AND SEWER SYSTEMS FUND
BALANCE SHEET
JUNE 30, 2006

ASSETS

CURRENT ASSETS

Accounts receivable - operations	\$ 192,063
Due from other funds	19,860
Due from others	270,453
Inventory	<u>11,100</u>

Total current assets \$ 493,476

RESTRICTED ASSETS

Cash and cash equivalents - future improvements	477,011
Cash and cash equivalents - debt service	1,121,372
Special assessments receivable	<u>1,495,095</u>

Total restricted assets 3,093,478

PROPERTY, PLANT AND EQUIPMENT

Land	358,855
Water system	4,559,585
Sewer system	<u>8,736,122</u>
	13,654,562
Less accumulated depreciation	<u>3,553,141</u>

Net property, plant and equipment 10,101,421

Total assets \$ 13,688,375

LIABILITIES AND FUND EQUITY

CURRENT LIABILITIES

Checks issued in excess of available cash	\$ 26,878
Accounts payable	19,276
Due to other funds	<u>966,204</u>

Total current liabilities \$ 1,012,358

CURRENT LIABILITIES (from restricted assets)

Current portion - special assessment bonds - Homestead	45,000
Current portion - special assessment bonds - Tri-Lakes	155,000
Current portion - special assessment bonds refunding - Water improvement system	65,000
Current portion - special assessment bonds - NE Tri-Lakes	<u>40,000</u>

Total current liabilities (from restricted assets) 305,000

LONG-TERM LIABILITIES (from restricted assets)

Special assessment bonds - Tri-Lakes	775,000
Special assessment bonds (refunding) - Water improvement system	490,000
Special assessment bonds - NE Tri-Lakes	<u>290,000</u>

Total long-term liabilities (from restricted assets) 1,555,000

Total liabilities 2,872,358

FUND EQUITY

Retained earnings - reserved	10,219,011
Retained earnings - unreserved	<u>597,006</u>

Total fund equity 10,816,017

Total liabilities and fund equity \$ 13,688,375

CHARTER TOWNSHIP OF GENOA
OAK POINTE - WATER AND SEWER SYSTEMS FUND
STATEMENT OF FUND EQUITY
FOR THE YEAR ENDED JUNE 30, 2006

	<u>Reserved Retained Earnings</u>	<u>Unreserved Retained Earnings</u>	<u>Total Fund Equity</u>
BEGINNING BALANCES JULY 1, 2005	\$ 10,443,787	\$ 590,426	\$ 11,034,213
Depreciation expense	(304,787)		(304,787)
Operating income excluding depreciation expense and sewer back-up settlement		4,932	4,932
Interest income - special assessments and reserves	145,235		145,235
Interest income - operations		2,958	2,958
Interest expense - bonds	(65,224)		(65,224)
Other revenue and (expense), net	<u> </u>	<u>(1,310)</u>	<u>(1,310)</u>
ENDING BALANCES JUNE 30, 2006	<u>\$ 10,219,011</u>	<u>\$ 597,006</u>	<u>\$ 10,816,017</u>

CHARTER TOWNSHIP OF GENOA
OAK POINTE - WATER AND SEWER SYSTEMS FUND
STATEMENT OF REVENUES AND EXPENSES
FOR THE YEAR ENDED JUNE 30, 2006

OPERATING REVENUE

User charges	\$ <u>757,412</u>
--------------	-------------------

OPERATING EXPENSES

Repairs, maintenance and supplies	197,118
Contracted labor	263,076
Out of scope - contract labor	775
Utilities and telephone	104,988
Administration	46,266
Professional fees	25,524
Insurance	14,643
Meter reading	19,792
Groundwater exceedence expenses	47,802
Depreciation	304,787
Sludge disposal	<u>32,496</u>

Total operating expenses	<u>1,057,267</u>
--------------------------	------------------

Operating (loss)	<u>(299,855)</u>
------------------	------------------

NON-OPERATING REVENUES AND (EXPENSES)

Interest income - special assessments	101,719
Interest income - reserved accounts	43,516
Interest income - general	2,958
Other revenue	802
Other expenses	(2,112)
Interest fees expense - bonds	<u>(65,224)</u>

Total non-operating revenues	<u>81,659</u>
------------------------------	---------------

Net (loss)	<u>\$ (218,196)</u>
------------	---------------------

CHARTER TOWNSHIP OF GENOA
OAK POINTE – WATER AND SEWER SYSTEMS FUND
SCHEDULE OF REVENUES AND EXPENSES – OPERATIONS ONLY –
EXCLUDING TAP-IN FEES AND DEPRECIATION
FOR THE YEAR ENDED JUNE 30, 2006

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
REVENUES			
User charges	\$ 308,018	\$ 449,394	\$ 757,412
EXPENSES			
Repairs, maintenance and supplies	83,609	113,509	197,118
Contracted labor	94,287	168,789	263,076
Out of scope – contract labor	166	609	775
Utilities and telephone	32,555	72,433	104,988
Administration	20,474	25,792	46,266
Professional fees	12,762	12,762	25,524
Insurance	6,162	8,481	14,643
Groundwater exceedence expenses		47,802	47,802
Meter reading	9,896	9,896	19,792
Sludge disposal		32,496	32,496
Total expenses	<u>259,911</u>	<u>492,569</u>	<u>752,480</u>
Net revenues over (under) expenses	<u>\$ 48,107</u>	<u>\$ (43,175)</u>	<u>\$ 4,932</u>

This schedule is prepared to present revenues and expenses related to current operations only (excludes tap-in fees and depreciation) and as such does not present the results of operations on the basis of generally accepted accounting principles but is presented for supplemental information.

CHARTER TOWNSHIP OF GENOA
OAK POINTE - WATER AND SEWER SYSTEMS FUND
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2006

CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES

Receipts from customers	\$ 737,557
Payments to vendors	<u>(766,336)</u>

Net cash (used in) operating activities	\$ (28,779)
---	-------------

CASH FLOW FROM (USED IN) CAPITAL AND
RELATED FINANCING ACTIVITIES

Repayment of principal on bonds	(295,000)
Special assessment collections	292,310
Interest received from special assessments and reserved accounts	145,235
Interest paid on bonds	(65,224)
Additions to systems	<u>(960,517)</u>

Net cash from capital and related investing activities	(883,196)
---	-----------

CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES

Interest received from operating fund	2,958
Other revenue (expenses) net	(1,310)
Investments in Brownsfield Authority	(27,255)
Loans to other funds	(1,316)
Loans from other funds	<u>223,581</u>

Net cash (used in) investing activities	<u>196,658</u>
---	----------------

Net (decrease) in cash and cash equivalents	(715,317)
---	-----------

CASH AND CASH EQUIVALENTS AT JULY 1, 2005	<u>2,313,700</u>
---	------------------

CASH AND CASH EQUIVALENTS AT JUNE 30, 2006	<u>\$ 1,598,383</u>
--	---------------------

Reconciliation of Operating (Loss) to Net Cash
From (Used In) Operating Activities

Operating (loss)	\$ (299,855)
------------------	--------------

Adjustments to reconcile operating (loss) to net cash
from (used in) operating activities

Depreciation expense	304,787
----------------------	---------

Change in assets and liabilities

Receivables, net	(19,855)
Payables, net	(29,634)
Inventory	(11,100)
Checks issued in excess of available cash	<u>26,878</u>

Net cash from (used in) operating activities	<u>\$ (28,779)</u>
--	--------------------

LAKE EDGEWOOD
WATER AND SEWER SYSTEMS
FUND

CHARTER TOWNSHIP OF GENOA
LAKE EDGEWOOD - WATER AND SEWER SYSTEMS FUND
BALANCE SHEET
JUNE 30, 2006

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 35,983
Accounts receivable - operations	91,901
Due from other funds	<u>125,789</u>

Total current assets		\$ 253,673
----------------------	--	------------

RESTRICTED ASSETS

Cash and cash equivalents - debt service	752,987
Cash and cash equivalents - future improvements	1,136,595
Special assessments receivable	3,514,810
Contract receivable - City of Brighton	<u>189,200</u>

Total restricted assets		5,593,592
-------------------------	--	-----------

PROPERTY, PLANT AND EQUIPMENT

Land	260,009
Sewer system	<u>7,703,745</u>
	7,963,754
Less accumulated depreciation	<u>1,259,007</u>

Net property, plant and equipment		<u>6,704,747</u>
-----------------------------------	--	------------------

Total assets		<u>\$ 12,552,012</u>
--------------	--	----------------------

LIABILITIES AND FUND EQUITY

CURRENT LIABILITIES

Accounts payable	\$ 25,329
Due to other funds	<u>8,643</u>

Total current liabilities		\$ 33,972
---------------------------	--	-----------

CURRENT LIABILITIES (from restricted assets)

Current portion - special assessment bonds - phase I	110,000
Current portion - special assessment bonds - phase II	20,000
Current portion - special assessment bonds - phase III	15,000
Current portion - contract payable (Liv.Cty.) - extension of water	25,000
Current portion - contract payable (Liv.Cty.) - sewer west extension	<u>265,000</u>

Total current liabilities (from restricted assets)		435,000
--	--	---------

LONG-TERM LIABILITIES (from restricted assets)

Special assessment bonds - phase I	240,000
Special assessment bonds - phase II	115,000
Special assessment bonds - phase III	130,000
Contract payable (Liv.Cty.) - extension of water	255,000
Contract payable (Liv.Cty.) - sewer west extension	<u>3,445,000</u>

Total long-term liabilities (from restricted assets)		<u>4,185,000</u>
--	--	------------------

Total liabilities		4,653,972
-------------------	--	-----------

FUND EQUITY

Retained earnings - reserved	7,887,538
Retained earnings - unreserved	<u>10,502</u>

Total fund equity		<u>7,898,040</u>
-------------------	--	------------------

Total liabilities and fund equity		<u>\$ 12,552,012</u>
-----------------------------------	--	----------------------

CHARTER TOWNSHIP OF GENOA
LAKE EDGEWOOD - WATER AND SEWER SYSTEMS FUND
STATEMENT OF FUND EQUITY
FOR THE YEAR ENDED JUNE 30, 2006

	<u>Reserved Retained Earnings</u>	<u>Unreserved Retained Earnings</u>	<u>Total Fund Equity</u>
BEGINNING BALANCES BEFORE RESTATEMENT JULY 1, 2005	\$ 7,384,390	\$ 114,528	\$ 7,498,918
PRIOR PERIOD ADJUSTMENT	<u>(207,500)</u>	<u> </u>	<u>(207,500)</u>
BEGINNING BALANCES AFTER RESTATEMENT JULY 1, 2005	7,176,890	114,528	7,291,418
Depreciation expense	(151,322)		(151,322)
Connection fees	862,761		862,761
Operating (loss) excluding depreciation expense		(105,930)	(105,930)
Interest income - general		1,817	1,817
Interest income - special assessments and reserves	281,733		281,733
Interest expense - bonds	(282,524)		(282,524)
Other revenue/expense	<u> </u>	<u>87</u>	<u>87</u>
ENDING BALANCES JUNE 30, 2006	<u>\$ 7,887,538</u>	<u>\$ 10,502</u>	<u>\$ 7,898,040</u>

CHARTER TOWNSHIP OF GENOA
LAKE EDGEWOOD - WATER AND SEWER SYSTEMS FUND
STATEMENT OF REVENUES AND EXPENSES
FOR THE YEAR ENDED JUNE 30, 2006

OPERATING REVENUE

User charges	\$ 333,429
--------------	------------

OPERATING EXPENSES

Repairs, maintenance and supplies	90,544
Contracted labor	118,904
Out of scope-contract labor	366
Meter reading	3,333
Utilities and telephone	50,262
Administration	17,824
Professional fees	7,700
Insurance	6,361
Purchases of water - City of Brighton	75,910
Groundwater exceedence expenses	54,173
Depreciation expense	151,322
Sludge disposal	<u>13,982</u>

Total operating expenses	<u>590,681</u>
--------------------------	----------------

Operating (loss)	<u>(257,252)</u>
------------------	------------------

NON-OPERATING REVENUES AND (EXPENSES)

Connection fees	862,761
Interest income - special assessments and reserves	281,733
Interest income - general	1,817
Interest expense - bonds	(282,524)
Other income	<u>87</u>

Total non-operating revenues	<u>863,874</u>
------------------------------	----------------

Net income	<u>\$ 606,622</u>
------------	-------------------

CHARTER TOWNSHIP OF GENOA
LAKE EDGEWOOD – WATER AND SEWER SYSTEMS FUND
SCHEDULE OF REVENUES AND EXPENSES – OPERATIONS ONLY –
EXCLUDING TAP-IN FEES AND DEPRECIATION
FOR THE YEAR ENDED JUNE 30, 2006

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
REVENUES			
User charges	\$ 85,430	\$ 247,999	\$ 333,429
EXPENSES			
Repairs, maintenance and supplies		90,544	90,544
Contracted labor		118,904	118,904
Out of scope – contract labor		366	366
Utilities and telephone		50,262	50,262
Administration	4,292	13,532	17,824
Professional fees		7,700	7,700
Insurance		6,361	6,361
Purchases of water – City of Brighton	75,910		75,910
Groundwater exceedence expenses		54,173	54,173
Meter reading	1,666	1,667	3,333
Sludge disposal		13,982	13,982
Total expenses	<u>81,868</u>	<u>357,491</u>	<u>439,359</u>
Net revenues over (under) expenses	<u>\$ 3,562</u>	<u>\$ (109,492)</u>	<u>\$ (105,930)</u>

This schedule is prepared to present revenues and expenses related to current operations only (excludes tap-in fees and depreciation) and as such does not present the results of operations on the basis of generally accepted accounting principles but is presented for supplemental information.

CHARTER TOWNSHIP OF GENOA
LAKE EDGEWOOD - WATER AND SEWER SYSTEMS FUND
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2006

CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES

Cash from users	\$ 336,455	
Cash paid to vendors	<u>(444,150)</u>	
Net cash (used in) operating activities		\$ (107,695)

CASH FLOWS FROM (USED IN) CAPITAL AND
RELATED FINANCING ACTIVITIES

Repayment of principal on bonds	(425,000)	
Special assessment collections - principal	50,319	
Collections City of Brighton - contract receivables	17,200	
Interest received on special assessments and reserves	281,733	
Interest paid on bonds	(282,524)	
Additions to system	(208,973)	
Connection fees	<u>862,761</u>	
Net cash from capital and related financing activities		185,970

CASH FLOWS FROM INVESTING ACTIVITIES

Loans to other funds	(111,847)	
Loans from other funds	2,214	
Other income	87	
Interest income from investments	<u>1,817</u>	
Net cash from (used in) investing activities		<u>(107,729)</u>

Net increase in cash and cash equivalents	80,092
---	--------

CASH AND CASH EQUIVALENTS AT JULY 1, 2005	<u>1,845,473</u>
---	------------------

CASH AND CASH EQUIVALENTS AT JUNE 30, 2006	<u>\$ 1,925,565</u>
--	---------------------

Reconciliation of Operating (Loss) to Net Cash
From (Used In) Operating Activities

Operating (loss)	\$ (257,252)
------------------	--------------

Adjustments to reconcile operating (loss) to net cash
from (used in) operating activities

Depreciation expense	151,322
Change in assets and liabilities	
Receivables, net	3,026
Payables, net	<u>(4,791)</u>
Net cash (used in) operating activities	<u>\$ (107,695)</u>

PINE CREEK
WATER AND SEWER SYSTEMS
FUND

CHARTER TOWNSHIP OF GENOA
PINE CREEK - WATER AND SEWER SYSTEMS FUND
BALANCE SHEET
JUNE 30, 2006

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 144,566
Accounts receivable - operations	76,555
Due from other funds	<u>7,075</u>

Total current assets		\$ 228,196
----------------------	--	------------

RESTRICTED ASSETS

Cash - debt service	175,525
Special assessments receivable	<u>163,699</u>

Total restricted assets		<u>339,224</u>
-------------------------	--	----------------

Total assets		<u><u>\$ 567,420</u></u>
--------------	--	--------------------------

LIABILITIES AND FUND EQUITY

CURRENT LIABILITIES

Accounts payable	\$ 47,230
Due to other funds	<u>6,869</u>

Total current liabilities		\$ 54,099
---------------------------	--	-----------

CURRENT LIABILITIES (from restricted assets)

Current portion - contract payable - City of Brighton		69,660
---	--	--------

LONG-TERM LIABILITIES (from restricted assets)

Contract payable - City of Brighton		<u>208,980</u>
-------------------------------------	--	----------------

Total liabilities (from restricted assets)		332,739
--	--	---------

FUND EQUITY

Retained earnings - reserved	124,684	
Retained earnings - unreserved	<u>109,997</u>	

Total fund equity		<u>234,681</u>
-------------------	--	----------------

Total liabilities and fund equity		<u><u>\$ 567,420</u></u>
-----------------------------------	--	--------------------------

CHARTER TOWNSHIP OF GENOA
PINE CREEK - WATER AND SEWER SYSTEMS FUND
STATEMENT OF FUND EQUITY
FOR THE YEAR ENDED JUNE 30, 2006

	<u>Reserved Retained Earnings</u>	<u>Unreserved Retained Earnings</u>	<u>Total Fund Equity</u>
BEGINNING BALANCES JULY 1, 2005	\$ 119,288	\$ 110,008	\$ 229,296
Operating (loss)		(4,566)	(4,566)
Interest income - operations		2,115	2,115
Interest income - special assessments	5,396		5,396
Other revenue		<u>2,440</u>	<u>2,440</u>
ENDING BALANCES JUNE 30, 2006	<u>\$ 124,684</u>	<u>\$ 109,997</u>	<u>\$ 234,681</u>

CHARTER TOWNSHIP OF GENOA
PINE CREEK - WATER AND SEWER SYSTEMS FUND
STATEMENT OF REVENUES AND EXPENSES
FOR THE YEAR ENDED JUNE 30, 2006

OPERATING REVENUE

User charges	\$ 251,213
--------------	------------

OPERATING EXPENSES

Water - sewer usage	\$ 233,880
Administration	12,521
Professional fees	1,600
Repairs	633
Meter reading	<u>7,145</u>

Total operating expenses	<u>255,779</u>
--------------------------	----------------

Operating (loss)	(4,566)
------------------	---------

NON-OPERATING REVENUES

Interest income - operations	2,115
Interest income - special assessments	5,396
Other revenue	<u>2,440</u>

Total non-operating revenues	<u>9,951</u>
------------------------------	--------------

Net income	<u><u>\$ 5,385</u></u>
------------	------------------------

CHARTER TOWNSHIP OF GENOA
PINE CREEK - WATER AND SEWER SYSTEMS FUND
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2006

CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES

Cash from users	\$ 228,877	
Cash paid to vendors	<u>(259,170)</u>	
Net cash (used in) operating activities		\$ (30,293)

CASH FLOWS FROM (USED IN) CAPITAL AND
RELATED FINANCING ACTIVITIES

Special assessments collections	63,551	
Interest received from special assessments	5,396	
Payment on contract payable - City of Brighton	<u>(69,660)</u>	
Net cash from capital and related financing activities		(3,039)

CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES

Interest received from operating fund	2,115	
Net loans with other funds	(4,766)	
Other revenue	<u>2,440</u>	
Net cash from (used in) investing activities		<u>(211)</u>
Net (decrease) in cash and cash equivalents		(31,217)

CASH AND CASH EQUIVALENTS AT JULY 1, 2005	<u>351,308</u>
---	----------------

CASH AND CASH EQUIVALENTS AT JUNE 30, 2006	<u>\$ 320,091</u>
--	-------------------

Reconciliation of Operating (Loss) to Net Cash
From (Used In) Operating Activities

Operating (loss)	\$ (4,566)
------------------	------------

Adjustments to reconcile operating (loss) to net cash
from (used in) operating activities

Change in assets and liabilities		
Receivables, net	(22,336)	
Payables, net	<u>(3,391)</u>	
Net cash (used in) operating activities		<u>\$ (30,293)</u>

DEPOSIT TRUST
FUND

CHARTER TOWNSHIP OF GENOA
DEPOSIT TRUST FUND
BALANCE SHEET
JUNE 30, 2006

ASSETS

ASSETS

Cash and investments

\$ 127,450

LIABILITIES

LIABILITIES

Due to other funds

\$ 3,472

Deposits

123,978

Total liabilities

\$ 127,450

CURRENT TAX
FUND

CHARTER TOWNSHIP OF GENOA
CURRENT TAX FUND
BALANCE SHEET
JUNE 30, 2006

ASSETS

ASSETS

Cash and investments

\$ 3,470

LIABILITIES

LIABILITIES

Due to general fund

\$ 3,470

TRUST AND AGENCY
FUND

CHARTER TOWNSHIP OF GENOA
TRUST AND AGENCY FUND
BALANCE SHEET
JUNE 30, 2006

ASSETS

ASSETS

Cash and investments

\$ 4,680

LIABILITIES

LIABILITIES

Due to other funds

\$ 529

Due to others

4,151

Total liabilities

\$ 4,680



PFEFFER ■ HANNIFORD ■ PALKA
Certified Public Accountants

John M. Pfeffer, C.P.A.
Patrick M. Hanniford, C.P.A.
Kenneth J. Palka, C.P.A.

Members:
AICPA Private Practice Companies Section
MACPA

225 E. Grand River - Suite 104
Brighton, Michigan 48116-1575
(810) 229-5550
FAX (810) 229-5578

October 13, 2006

Honorable Board of Trustees
Charter Township of Genoa
2911 Dorr Road
Brighton, Michigan 48116

Dear Honorable Board of Trustees:

During the audit process for the year ending June 30, 2006 certain items came to our attention which we would like to discuss with you. Those items are as follows:

1. The Township sold bonds several years ago for a sewer project in the Lake Edgewood District. The Township agreed to annually transfer monies from its new user funds into the debt service fund to assist with debt repayment. The Township has made the annual transfers as agreed upon. We suggest the Township consider making a one time transfer (instead of annual transfers) since there are sufficient monies available in the new user fund at this time. The one time transfer amounts to approximately \$465,000 calculated as follows:

Debt Service Fund

Cash in bank June 30, 2006	\$ 400,000
Special assessment receivable June 30, 2006	2,736,500
Due from other funds	<u>110,000</u>
 Total assets currently available	
To pay debt	3,246,500
 Debt to be repaid	<u>3,710,000</u>
 Total needed transfer	<u>\$ 463,500</u>

2. The Township has been paying DTE invoices on behalf of a small streetlighting district. The association and (or) homeowners have not reimbursed the Township for a few years. The Township should consider creating a special assessment district for reimbursement.

3. We noticed advances paid by the Township to staff for conferences did not always include receipts as part of the documentation for the payment. Since the advance payments were based on estimates, copies of all receipts from the staff should be given to the accountant after the conferences. A reconciliation should be completed to verify any amounts over or underpaid.
4. The Township makes various payments and transfers electronically. The Township needs to approve a policy authorizing electronic transactions as required by Public Act 738 of 2002.

This letter does not affect our report dated October 13, 2006 on the financial statements of the Charter Township of Genoa.

The comments are not intended to be a criticism of any department or any one individual.

We will review the status of these comments during our next audit engagement. We have already discussed these comments and recommendations with various township personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

This report is intended solely for the information and use of the Board of Trustees and management of the Charter Township of Genoa and is not intended to be and should not be used by anyone other than the specified parties.

Pfeffer, Hanniford & Palka, P.C.

PFEFFER, HANNIFORD & PALKA
Certified Public Accountants